PRESS CONFERENCES

of

THE PRESIDENT

1937 -- Jan. 1 to June 30

Henry M. Kannee,
Official Reporter

CONFIDENTIAL
Press Conference #333,
Executive Offices of the White House,
January 5, 1937, 4.20 P.M.

(Assistant Secretary of State Moore and Senator Pittman were present at this Conference.)

Q Hello, Mr. President. There is a howling mob out there today.

Q A big gate today.

THE PRESIDENT: They are at the wrong end of the Avenue.

I think I will have to change this into an operating room where the spectators sit around in banked tiers. I cannot see anything more than three rows back. But then, I would be a corpse.

MR. DONALDSON: All in.

THE PRESIDENT: I was remarking that you people were at the wrong end of the Avenue. There is no news down here.

Q How big a report is that reorganization report going to be, for practical working purposes?

THE PRESIDENT: It depends on what you are going to use. I am going to try to have a summary of, say, eight to ten pages, and then the report itself, I should say at a guess, is about 125 pages.

Q Do you send that report to Congress?

THE PRESIDENT: Yes, I am going to send it to Congress.

Q Will they make it public, or you?

THE PRESIDENT: I think we might do with that report what we do with the Budget because it has more or less the same kind of technicalities. We can have a seminar, off the record, beforehand, out of which you will get very, very few factual things but a great deal of theory.

Q Have you made up your mind as to when it can be released?

THE PRESIDENT: I will send it up Tuesday, so I think we could have a seminar next Monday afternoon.

Q And release it the day it arrives up there?

THE PRESIDENT: Yes. I would let you have copies before the seminar, just like the Budget.

Q Will it go up with a special Message, Mr. President?

THE PRESIDENT: Yes.

Q Has the Navy told you anything about its difficulties in getting steel and copper bids?

THE PRESIDENT: Only the fact that they did not get bids the last time they opened bids on copper and the same thing on steel, I think.

Q Was that due to the Walsh-Healey Act?

THE PRESIDENT: I do not know; I have not gone into it.

Q Have you instructed the Navy to go to work on the battleships?

THE PRESIDENT: I will tell you something about battleships next Friday. I am not ready but I will be on Friday.

Q The report was that a move was under way to abolish the Federal Art Projects of W.P.A.?

THE PRESIDENT: I don't know; I have not heard anything about it.

Q The Theatre Projects?

THE PRESIDENT: I don't know; I have not heard a word about it.

Q Anything on the neutrality legislation about to be proposed tomorrow?

THE PRESIDENT: No. Some of you have already talked to the Acting Secretary of State on it and the next news, I imagine, will come through the Chairman of the Foreign Relations Committee of the Senate.

Q Any comment on that memo sent to you by the sailors, by the striking sailors, in New York on the Copeland Act?

THE PRESIDENT: I do not think so; I do not think there is any news on it.

Q Are they actually enforcing that strike book yet?

THE PRESIDENT: I don't know. It has been sent out, I think.

Q Will you make any appointments on the Maritime Commission soon?

THE PRESIDENT: Yes, but the word "soon" is elastic.

Q Could you define it for me?

THE PRESIDENT: No; I could not if I wanted to.

Q Can you comment on the automobile strike situation, the conference with Miss Perkins?

THE PRESIDENT: We did not have a conference on it.

Q She was in to see you this morning?

THE PRESIDENT: Just general things.

Q Did you discuss the shipping situation?

THE PRESIDENT: Only in a general way.

Q Any moves contemplated?

THE PRESIDENT: No.

Q Any action on the automobile strike at present -- do you plan any action?

THE PRESIDENT: No, we discussed the facts of the case just the way you people have.

Q Does the Resolution which Senator Pittman wanted to introduce in the Senate, asking an embargo on munitions and arms to both Loyalists and Rebels in Spain, have your approval?

THE PRESIDENT: I think you will have to get that from Senator Pittman.

He is going out in a few minutes and I do not think he will give it to you when he goes out. (Laughter)

Q Any comment on the Supreme Court decision on convict goods?

THE PRESIDENT: No.

Q Did you read Alfred P. Sloane's statement to the General Motors' employees on the strike, the one advertised in the papers this morning?

THE PRESIDENT: Was it in the papers this morning? I did not see it.

Q Some of us who frequent this side of the room are a little bothered by what appears to be a stack of undistributed Christmas presents. I was just wondering if you had forgotten to play Santa Claus to a lot of people?

THE PRESIDENT: There are a lot of people who have been away.

Q I understand Admiral Grayson has brought up the matter of making the Inaugural Parade a little larger?

THE PRESIDENT: It is quite too late because that was decided about two weeks ago. We are going to have, by my special request, some more young people in the Parade. There will be about 400 boys from the C.C.C. camps and a couple of hundred boys and girls from the N.Y.A.

Q If the automobile strike continues, will the strikers be entitled to work relief?

THE PRESIDENT: That is an "if" question.

Q When an automobile strike --

THE PRESIDENT: (interposing) That is an assumption.

Q Coming back a moment to neutrality, is it your intention to have neutrality legislation concerning the civil war apply exclusively

in this case to Spain, or is that a general policy?

THE PRESIDENT: You will have to wait until you see Senator Pittman's Resolution.

Q Will that be in accord with your views?

THE PRESIDENT: You are just twenty-four hours too early.

Q Have you set your time for the primary class on the Budget?

THE PRESIDENT: Thursday at four. Is that all right?

Q Yes. Thank you, Mr. President.

Q Mr. President, do you expect further legislation regulating stock markets this session?

THE PRESIDENT: I do not know. I have not talked that over with the S.E.C. people.

CONFIDENTIAL
Press Conference #334 -- Budget,
Executive Offices of the White House,
January 7, 1937, 4.00 P.M.

THE PRESIDENT: We were just remarking in the front row -- I am awfully sorry for your job. I could not write a story to save my soul and I asked Dan Bell if he could and he said he could not either.

In the first place, before I begin, Steve (Mr. Early) suggested I repeat what he said this morning, that there is no reason you should not refer to this Conference but what is said here is off the record. The fact that it is being held is all right to print.

Q May we refer to the fact that there was a Conference?

THE PRESIDENT: Yes, and the people who were here.

I suppose the easiest thing to do is to do what we did last year, which is to go through the sixteen pages, which are comparatively short and just touch the high lights. I suggest that perhaps it would be better, if a question occurs to you, to jot it down on the margin and then come back to it afterwards. It would be better to go through the whole thing -- it won't take but ten or fifteen minutes -- and then come back to specific questions.

On page V -- page five -- the second paragraph states the objectives we have in mind for the last four years, which is nothing more than a paraphrase of what I said to the Congress yesterday; first, the restoration of economic life and, second, the gaining of permanent advantages of value.

The last paragraph on the page states categorically that, except for debt reduction and assuming -- hoping that additional relief expenditures would be within the $1,537,000,000., the 1938 Budget is in balance.

That immediately raises the question, which some people are a little vague about -- I know I am, I have to fight Dan Bell every year on it -- the question of keeping debt reduction in the Budget. When Dan (Mr. Bell) brings it in, I always call him a certified public accountant. Theoretically, every public corporation ought to put in an amount for debt reduction every year. Practically, if the corporation does not reduce its debt and comes out, even after paying the interest on the debt, it has not incurred any more debt, why, it is therefore, from what I call the lay point of view, it is in balance. It still has the same debt it had the year before. If Stevie (Mr. Stephenson) owes $10,000. with interest at $400. a year, and at the end of the year he has paid his interest and paid all his bills, but he has not reduced his debt, Stevie is still in balance from the lay point of view. But the C.P.A. would not call it in balance. He would say he had to have reduced the $10,000. So, from the layman's point of view, this Budget of 1938 is in balance, provided we keep the additional -- later on in the session (of Congress) -- appropriations for relief within the sumn of $1,537,000,000.

So, on top of page VI I say that we expect to be able to do this if the economic improvement of conditions continues in 1939 so that in next January's Budget, if they continue approximately the present rate, we ought to be able to have a C.P.A. balanced

Budget, not only with no increase in the debt but with an actual reduction in the national debt. That is the expectation we are holding out for next January in the 1938 Budget.

The first paragraph on page six just restates the benefits to the Nation. The next paragraph says, as I told you before, I am later submitting an appropriation for additional relief which I hope will not exceed $1,537,000,000.

Then I go on and say something I think is a very important thing, from the point of view of the country, to have said.

(Reading)

> "This hope is based on the assumption that industry will cooperate in employing men and women from the relief rolls in larger numbers than during the past year."

Now, you and I all know that the figures show that factories are running and that a great many more people are employed than there were in January, 1936. But the drop in the relief rolls has not come anywhere near making the same showing as the number of people that have been employed from sources other than the relief rolls, so the mere employing of more people does not help federal expenditures unless the employers will take people off the relief rolls. Of course, that is perfectly elementary but it is a thing I do not think has been sufficiently stressed.

And I go on: (Reading)

> "Many of those in charge of industrial management, recognizing their obligation to the Nation, have furnished a large measure of employment to the jobless. Today, while it is true that in some sections of the country certain types of skilled workers are still seeking employment, it is nevertheless a fact that the great majority of those now receiving relief belong to the unskilled group."

Now, that is true in practically every part of the country.

(Reading)

> "It is my conviction that if every employer or potential employer will undertake during the next six months to give employment to persons now receiving Government help, --"

and those are mostly unskilled workers or people over forty years old. In that case, (reading)

> "-- the national Budget can thereafter be kept definitely in balance. Without such cooperation on the part of employers, the question of a balanced Budget for 1938 --"

this coming fiscal year -- (reading)

> "-- must of necessity remain an open one, for the very good reason that this Government does not propose next year, any more than during the past four years, to allow American families to starve."

There is nothing much more on that page.

On top of page VII -- and it is really saying again what I implied yesterday -- (reading)

> "The cost of new functions and duties can be substantially reduced only by curtailing the function or the duty. I propose shortly to submit to the Congress a broad plan for placing the Executive Branch of the Government on a sounder and more responsible basis of management. The carrying out of such a plan will undoubtedly result in some saving in expenditures; but it must be remembered --"

this is important -- (reading)

> "-- that what is generally known as overhead represents only a small fraction of total expenditures in any large business, Government or private."

Of course, there are perfectly obvious things where better management would not save us a red cent. The interest on the public debt of $860,000,000. a year, that must be paid. You cannot save any money on that. You cannot save money on the paying

of pensions because the machinery on the payment of pensions is on a straight pension basis and the actual cost is in the pension required by the law rather than in the cost of overhead. Another example is national defense. If you start to build battleships or buy clothing for the Army or food for the enlisted men in the Army or Navy, there isn't very much saving on that. That one item runs somewhere around a billion dollars a year. (Reading)

"PART II -- RECOMMENDATIONS."

These are just some specific recommendations. (Reading)

"Temporary miscellaneous internal-revenue taxes."

The gist of that paragraph is that I consider the revenue from such sources, or its equivalent, is necessary for the financing of the Budget for 1938. That is saying to the Congress, "If you do not want to extend this temporary tax or if you want to abolish it, you have got to give me something else in the way of cash to take its place." (Reading)

> "Postal receipts.--The estimates of appropriations for the Postal Service included in the 1938 Budget are predicated upon the continuance during that fiscal year of the 3-cent postage rate for first-class mail other than for local delivery."

Here is a touchy subject you may or may not want to handle. (Reading)

> "While the Government makes a profit on first-class mail, the Postal Service is not self-supporting because it carries other classes of mail at a considerable loss, --"

Now, if you want to explore that, go ahead. We not only have a breakdown of it on page XXIII but Dan (Mr. Bell) has a very full breakdown of it, showing the cost of carrying second-class publi-

cations exempt from zone rates -- zone rate publications, daily newspapers, newspapers other than daily.

Q What page is that on?

THE PRESIDENT: 716 in the blue book.

Q Is that a new table?

MR. BELL: New and some detail.

Q Do you expect to carry it down?

THE PRESIDENT: It is carried down here. What are you going to do, set yourself up as a better authority than this?

Q I just wanted to know; that was a new one.

THE PRESIDENT: Of course, strictly in the family, these figures are necessarily estimates. Just as in the District of Columbia, whether or not they are paying adequate taxes depends on the point of view of the fellow making the estimate. So, go ahead; that is a very interesting field for you to study.

Q Can we also speculate on franked mail?

THE PRESIDENT: It is all down; it is all there. Fine.

Then the Civilian Conservation Corps at the bottom of page VII. I say that it has demonstrated its usefulness, that it has met with general approval and should be continued. (Reading)

> "I intend shortly to submit a supplemental estimate of appropriation to carry the Corps from March 31, 1937, to the end of the current fiscal year; and I strongly recommend that Congress enact during its present session the necessary legislation to establish the Corps as a permanent agency of the Government."

There is an estimate in the 1938 figures on the basis of Congress acting on that recommendation.

Q Does that recommendation, sir, indicate where the Civilian Conserva-

tion Corps should finally find itself?

THE PRESIDENT: What?

Q Do you, in the recommendation, indicate where you would like the Civilian Conservation Corps to be placed?

THE PRESIDENT: No. That comes under the reorganization plan.

Q How much is the amount? You have the general figure there but do not have the specific --

Q (interposing) There is a $790,000,000. appropriation and you have $650,000,000. for relief.

THE PRESIDENT: No, it is not in that.

MR. BELL: It is in the $450,000,000.

THE PRESIDENT: It is in the $450,000,000. for other things.

Q Where do we find that?

MR. BELL: In the Budget Summary, Supplementary Items, you will find the figure of $750,000,000. for 1937 and $450,000,000. for 1938.

Q $650,000,000. of that is for W.P.A. and is the C.C.C. in the difference between the $650,000,000. and the $790,000,000.?

MR. BELL: Yes, for the three months.

Q How much of this $400,000,000. is for C.C.C.?

MR. BELL: About $300,000,000.

Q Is that the Budget figure for 1938?

MR. BELL: Yes.

THE PRESIDENT: (Reading) "Expenses of emergency agencies."

This is, again, more or less as I said yesterday. Such of the emergency agencies as may be continued should have all of their expenditure requirements made subject to the same scrutiny that is given by the Bureau of the Budget to the regular establishments.

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That is bringing in all the outside agencies in the Budget scheme.

Q What ones are out?

MR. BELL: There are several small ones, the F.D.I.C. and a few more.

Q The T.V.A.?

THE PRESIDENT: The T.V.A. is in. You remember, last year we brought more of them in. There are still a few loose ends and I think most of them are in by Executive Order and not by legislation. I would like to have them all covered in by legislation and not by Executive Order.

Now, we come down to the three years 1936, 1937 and 1938. 1936 is the year that ended last July and gives you the final figures, for the first time complete, I think.

MR. BELL: No, they were in the Budget summation in June.

THE PRESIDENT: The Treasury receipts of the last fiscal year (1936) were $4,115,000,000., or $295,000,000. less than was estimated a year ago, which was six months before the fiscal year.

Q Where are those figures?

THE PRESIDENT: In the middle of page VIII. But, as a result of the Supreme Court decision, we lost $457,000,000. on account of the Triple A and Bituminous Coal Act revenues being cut out. If it had not been for the invalidation of these taxes, the total revenues would have exceeded the estimates last January by $162,000,000. So, our estimates were perfectly all right, but there were extraneous circumstances which caused them not to carry through.

Then, the taxes on carriers is a very small item. It has been deferred, the collection of it, because of pending litigation.

(Reading)

"On the other hand, miscellaneous internal-revenue taxes produced $136,488,000 more than was anticipated; customs revenue, $33,621,000 more; miscellaneous receipts, $32,053,000 more; and realization upon assets, $1,483,000 more.

On the expenditure side (of the fiscal year 1936), the expenditures amounted to $8,879,000,000. compared with an estimate of $7,645,000,000. a year ago. But here again the estimates last January obviously did not include $1,673,000,000. for payment of the bonus. Therefore, excluding that bonus payment, the expenditures for the year ending last thirtieth of June were about $439,000,000. less than the estimates, so we did not spend as much as we expected.

The total expenditures in that year for recovery and relief were $2,776,000,000. against an estimate of $2,869,000,000., or about three-quarters of a billion less.

For running the regular departments and establishments we spent $3,276,000,000., compared with estimates of $3,482,000,000., or $200,000,000. less.

On statutory debt retirement we spent $403,000,000. and for interest on the public debt $749,000,000., as against, respectively, $552,000,000. and $742,000,000. (Reading)

"Deficit and public debt.--The gross deficit for the fiscal year 1936 amounted to $4,763,841,642. Excluding $403,240,150 for statutory debt retirement, there was a net deficit of $4,360,601,492. The estimated net deficit as contained in the Budget submitted a year ago was $2,682,482,392, a difference of $1,678,119,100. As previously indicated, the original estimate has been affected to the extent of $457,000,000 as a result of the invalidation of taxes levied under the Agricultural Adjustment and Bituminous Coal Acts and by the additional

expenditure of $1,673,493,000 under the Adjusted Compensation Act. If it had not been for the increase in the deficit due to these causes, the net deficit for the fiscal year 1936 would have been about $452,000,000 less than that originally estimated.

"The increase in the gross public debt during the year amounted to $5,077,650,869, but this sum included an increase of the balance in the general fund of the Treasury of $840,164,664. The gross public debt on June 30, 1936, was $33,778,543,494."

Now for the fiscal year 1937. The total revenue is $5,828,000,000., or an increase of $1,712,000,000. over last year, or an increase of $173,000,000. over the estimates we made last January, when the Budget for this year was first proposed.

(Reading)

"The general improvement in business conditions and the enactment of the Revenue Act of 1936 have resulted in additional revenues from taxes which will not only make up the loss in revenue due to the Supreme Court decisions invalidating the taxes levied under the Agricultural Adjustment and the Bituminous Coal Acts, but will produce additional income of approximately $174,000,000."

So we are well within the -- we are ahead of what we expected when we proposed those taxes in the last session.

Now then, at the top of page X:

Income taxes are expected to yield $2,372,000,000., or $946,000,000. more than was received from this source last year. Then there are other taxes with small increases. The collection of taxes under the Social Security Act begins in the last half of this fiscal year; in other words, from this month through June, and it is expected they will produce additional revenue in the amount of $324,000,000. (Reading)

"The only item of revenue showing any decrease

is that of miscellaneous receipts, in the amount of $50,325,000, which is due to reductions in interest payments made to the Treasury by the Reconstruction Finance Corporation."

Now, on expenditures: From the present indications expenditures, exclusive of expenditures in the postal revenues, will amount to $8,480,000,000. Exclusive of statutory debt retirement, it is $7,512,000,000., or an increase over the expenditures last year of $709,000,000. But, that amount is made up of $371,000,000. on account of the Social Security Act, $85,000,000. on account of interest on the public debt, $194,000,000. for the general public works program, $123,000,000. for national defense and $221,000,000. for other purposes. Offsetting that there are decreases $93,000,000. for the Veterans' Administration, $74,000,000. for the agricultural adjustment program and $118,000,000. for the Civilian Conservation Corps.

The amount of the recovery and relief expenditures during the current year has been estimated at $2,166,000,000. That was my estimate last January or March.

MR. BELL: $2,166,000,000. is your estimate now.

THE PRESIDENT: For the current fiscal year?

MR. BELL: That is right.

THE PRESIDENT: But there is included in the supplemental expenditure items -- that is the one that goes to Buchanan's Committee tomorrow -- $650,000,000. from an appropriation of $790,000,000. for the purpose of carrying the Works Progress Administration and related programs from February first down to June 30, 1937. This will increase the estimated expenditures to $2,816,000,000. an

increase of $39,000,000. over 1936. (Reading)

"The expenditures in the current fiscal year will include, however, the sum of about $165,000,000 for assistance given to individuals and communities directly or indirectly affected by the widespread drought conditions prevailing during the past summer. If this drought had not occurred, the net cost of recovery and relief for the current fiscal year would have been about $125,000,000 below the cost for the previous fiscal year.

"Deficit and public debt.--The current estimates for the fiscal year 1937 show a gross deficit of $2,652,654,000. Deducting public debt retirements, the net deficit will be $2,248,129,000.

"The increase in the public debt on account of the deficit, however, will be only $1,348,000,000 since it is anticipated that $900,000,000 of the deficit will be financed from cash on hand."

In other words, the Secretary of the Treasury feels he has too much money in his pocket and is going to use some of it to pay bills with. (Reading)

"The working balance will be further reduced by net expenditures of about $42,000,000 for trust accounts and $100,000,000 for the retirement of national bank notes now a part of the public debt. This will reduce the working balance from $2,225,000,000 on June 30, 1936, to $1,183,000,000 on June 30, 1927. The gross public debt at the end of the current fiscal year is estimated at $35,026,000,000, an increase over 1936 of $1,248,000,000."

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Now, on the fiscal program for 1938: (Reading)

"Fiscal program for 1938

"The expected increase in revenue and decrease in expenditures for relief both reflect the general improvement which has taken place in the economic conditions of the country. The Revenue Act of 1936, which was designed for the purpose of replacing revenue lost through the invalidation of processing taxes, of providing sufficient revenue to amortize the cost of the adjusted compensation payments, and of equalizing tax burdens, gives every indication of satisfactorily accomplishing those

> purposes. I should like, at this point, to emphasize the importance of maintaining the productiveness of the present tax structure, so that we may properly provide for the fulfillment of our fiscal program."

In other words, for about the third time, do not make the Government receipts any less. They are going along fine as it is.

(Reading)

> "Under legislation enacted during the last session of Congress, which created authorizations for future appropriations aggregating more than $1,500,000,000, there is included about $130,000,000 in the estimates of appropriations contained in this Budget. Such authorizations --"

of course that, frankly, is always a problem in working out future fiscal policies for the Government. There has always been and I suppose there always will be a tendency on the part of Congress to pass authorizations. They have been going up pretty fast, these authorizations for future expenditures. It does not mean an appropriation but, once Congress has passed an authorization for the expenditure of money of any kind, it is pretty hard for the Executive Branch of the Government not to have appropriations made later on to carry them out. It is a continuing problem and, of course, my general policy is to discourage, as much as I possibly can, future authorizations in very large sums of money. In many cases the Congress has authorized programs that would take six or eight or ten years of actual appropriations to carry through. Once the authorization is on the books it is awfully hard to keep the money from going out. (Reading)

> "There is also included $812,225,000 for social security grants and for the Government's contribution to the old-age reserve account, more than double the expenditures for these purposes in 1937,

and there will be for several years still further increases in these requirements. It should be pointed out that these expenditures will be offset to a large extent by the increasing revenues under the Social Security Act."

It will be very nearly in balance, won't it, Dan?

MR. BELL: The revenue is seven hundred and something.

THE PRESIDENT: $780,000,000. and the expenditures $812,000,000.

Q Does that expenditure of upwards of half a billion dollars go into the reserve fund?

THE PRESIDENT: Of course, on that reserve fund thing, you cannot make an issue as to whether the reserve fund is going to be too big until you get some reserve fund. Naturally, we have to get some reserve fund and, naturally also, we will study and take action to change the present law so as to put the thing on as much of a pay-as-you-go basis as possible instead of having a fund of $30,000,000,000. or $40,000,000,000. as a reserve. That will be changed. But it is not a matter of immediate need because we are not going anywhere toward $30,000,000,000. or $40,000,000,000. We have not any reserve and even if eventually it is on a pay-as-you-go basis, you have to have a reasonable reserve fund before you take that final step.

Now, on the top of page XII: (Reading)

"No estimate of appropriation is presented for the needs of the Civilian Conservation Corps, since its extension beyond March 31 of this year is dependent on the action of Congress. In furtherance of my recommendation for the enactment of legislation to continue it as a permanent agency of the Government, there is included in the 'Supplemental items' an amount sufficient to meet the expenditure requirements for the fiscal year 1938."

If the Congress extends them (the C.C.C.). Of course they will.

I do not think we need bother about those tables (on page XII).

We can come back to them afterwards.

On page XIII: (Reading)

> "Receipts.--Treasury receipts in the fiscal year 1938 are expected to reach a total of $7,293,607,000, an increase of $1,465,456,000 over similar receipts for 1937 and $3,177,650,000 over 1936."

And all the rest of that paragraph shows the details of those receipts. (Reading)

> "Expenditures.--The expenditures for 1938 contemplated under this Budget (exclusive of those from postal revenues) will total $6,157,999,000, or approximately $2,323,000,000 less than is now estimated for 1937. General expenditures for regular activities amount to $5,841,968,000, as compared with $5,664,647,000 in 1937 an increase of $177,321,000. The 1937 estimate, however, contains an amount of $563,500,000 for completion of adjusted compensation payments to veterans, so that the comparable increase over 1937 is $740,821,000. For recovery and relief there is included in the expenditures for 1938 the amount of $316,031,000, which, of course, is not the full amount that will be required for relief during that year. As previously indicated, it is our present hope that the additional amount to be requested for this purpose will not exceed $1,537,123,000. Thus the total expenditure for recovery and relief during 1938 would be $1,853,154,000, or $963,003,000 less than the amount estimated for 1937. Again I emphasize the contribution which employers can make to this attainment."

Now, on page XIV: (Reading)

> "The general expenditures include $860,000,000 for interest on the public debt, an increase of $25,000,000 over the amount for the present fiscal year, and $401,515,000 for statutory debt retirements, a decrease of $3,010,000. Exclusive of the service on the public debt and the payment of adjusted compensation to veterans, there is a net increase of $718,831,000 in expenditures for regular activities as compared with 1937. This increase is accounted for as follows: For increased requirements under the Social Security Act, $436,337,000;

for additional expenditures under the general public works program, $132,519,000; --"

right on that you remember that a whole year ago I said that in working out our final policy it was my judgment that the Government could spend approximately $500,000,000. a year on public works of all kinds. Last year we spent only about $400,000,000.?

MR. BELL: We spent much more than $300,000,000. out of the $400,000,000. that was appropriated.

THE PRESIDENT: And this coming year we are estimating how many millions, $470,000,000.?

MR. BELL: $451,000,000.

THE PRESIDENT: It is all within the policy laid down a year ago.

Q Does that bring it up to the $500,000,000.?

MR. BELL: Not quite.

THE PRESIDENT: (Continuing reading)

"-- for national defense to provide for the increased strength of the Army as directed by Congress and to provide for replacement of naval vessels in accordance with existing authorizations, $92,882,000; for the necessary funds for the activities of the Railroad Retirement Board and for rural electrification, $39,566,000; and for increased needs of other activities, $17,527,000.

"Surplus and public debt.--The surplus for the fiscal year 1938, as presented in this Budget, is $1,135,608,000, after providing for debt retirement. Excluding provision for debt retirement, the surplus will amount to $1,537,123,000. As I have previously stated, it is hoped the additional needs for relief during the fiscal year 1938 will not require expenditure of more than this latter amount. On this basis the estimated gross public debt, on June 30, 1938, will be about the same amount as at the close of the fiscal year 1937. This does not take into account any change which may occur as a result of the Treasury policy in holding as 'inactive' future acquisitions of gold."

That is a technicality and a very small sum, figured out in dollars and cents. (Reading)

"Appropriations.--The total appropriations recommended in this Budget aggregate $6,839,000,000, including those for the Postal Service, District of Columbia, and probable supplemental items, while the appropriations already made and prospective supplemental items for the fiscal year 1937, exclusive of requirements for recovery and relief, total $6,261,000,000, an increase of $578,000,000 for 1938. This increase is due to additional appropriations amounting to $309,000,000 on account of the Social Security Act; $80,000,000 required under the general public works program; and $189,000,000 on account of departmental requirements, including the national defense. The appropriations made and contemplated for recovery and relief for 1937 total $2,215,000,000, whereas it is hoped that corresponding appropriations for 1938 will not exceed $1,537,123,000."

On the District of Columbia, I do not think we had better go into that at the present time for two very good reasons: one being that I am not an expert enough to answer questions, and the other is that somebody will be available today and tomorrow to explain details of the report. That is much better.

Q Does this Budget mean there will be no net deficit in 1938?

THE PRESIDENT: In other words, if you take C.P.A. figures there will be a deficit and if you take laymen's figures, you and myself, there will be no deficit.

Q That is because of the fact of debt retirement. It is a fair assumption, except that it might be increased by the gold purchasing, that this figure of $35,026,000,000., the total debt at the end of the 1937 fiscal year, is the maximum public debt contemplated unless something happens to change it?

THE PRESIDENT: What we hope takes the next step in your question. We

hope to have a layman's or common or garden variety of balancing of the Budget, and next year we hope to have the technical balancing of the Budget, which means a reduction in the national debt.

Q Does not that mean also no new Federal loans?

THE PRESIDENT: If the debt does not go up, all it means is refunding.

Q The expenditures included about half a billion dollars in excess credits?

MR. BELL: That is right.

THE PRESIDENT: What do you mean by excess of credits?

Q The R.F.C.

THE PRESIDENT: Yes.

Q Now, from a layman's instead of a C.P.A. point of view, those are really revenues?

THE PRESIDENT: Yes.

Q Aren't they figured in in revenues?

THE PRESIDENT: They are considered in in revenues. Of course, the quicker we begin to use those to reduce the debt, the better we are.

Q If you consider them revenues, the net effect would make revenues about half a billion dollars larger and expenditures about half a billion dollars larger.

THE PRESIDENT: Yes, if you take them that way.

Q Why is there such a large reduction in the anticipated payments to the R.F.C.? Is it all drying up?

THE PRESIDENT: I suppose that is it. As you get to the end of your basket, it is harder to sell them.

Q Mr. President, the Budget refers frequently to statutory debt reduction. Is that to be regarded as obligatory debt reduction?

THE PRESIDENT: It is just as short as it is long. If you have a Budget that is in the red and you carry out the statute, which of course we did, and retire $500,000,000. of debt, it means you have to borrow just that much more money. It is out of one pocket and into the other.

Q I was thinking of that in connection with the phrase, "The 1938 Budget is in balance." Immediately after, and except for debt reduction, it will remain in balance?

THE PRESIDENT: Debt reduction and the hope that the relief expenditures won't exceed $1,500,000,000.

Q Mr. President, on page X, the last paragraph, the amount of deficiency appropriation for the fiscal year is $790,000,000., of which $650,000,000. is for the Works Progress Administration. What is the $140,000,000. for?

Q C.C.C.

MR. BELL: It says $790,000,000. for the Works Progress Administration and relief programs. The $650,000,000. relates to all of those.

THE PRESIDENT: All of them. Resettlement, et cetera and so on.

Q As I read this, the $790,000,000. is the amount of the deficiency appropriation which will be asked for this fiscal year?

THE PRESIDENT: Of which $650,000,000. will be paid out this fiscal year. The reason for that is that in running these things we have to obligate money in the end of May and all through June, which won't be paid until July and August.

Q This $140,000,000. is --

THE PRESIDENT: (interposing) That is to enable us to obligate it the end of May and June for projects that won't be undertaken until July and August, which is the next fiscal year.

Q Is there a breakdown in the $650,000,000. anywhere in here?

MR. BELL: No.

THE PRESIDENT: I am going to ask for the whole $790,000,000. as an appropriation, but $650,000,000. will come out of this year's Budget and the other will be an obligation which won't be spent until next year.

Q I was wondering whether the relief appropriation itself will be just in the $650,000,000.?

MR. BELL: It is in the $790,000,000.

Q Have you fixed any sum for it, Mr. President, between now --

THE PRESIDENT: (interposing) Of course those figures fluctuate almost every week in these allocations by me.

Q Will it be necessary for the Congress to earmark it?

THE PRESIDENT: No. The same terms as this year's Bill.

Q Mr. President, as I understand it, the $790,000,000. is to carry the program to the first of July, even though you have to spend $140,000,000. --

THE PRESIDENT: (interposing) No; it will only cost $650,000,000. out of pocket.

Q I thought you said the $140,000,000. will be obligated and spent later?

THE PRESIDENT: Yes.

Q That figure has been confusing to some of us because I think the mayors (the Mayors' Conference) asked for approximately that same

amount, $790,000,000. for W.P.A. That is why we are breaking down the $650,000,000. figure.

THE PRESIDENT: I cannot give you the exact figure but the great bulk is W.P.A.

Q Will attitional funds be transferred to W.P.A.?

THE PRESIDENT: I don't think there are any left. I think we have scraped the bottom of the barrel.

Q May we ask what other agencies are included besides W.P.A.?

MR. BELL: Resettlement and that is about all.

Q Resettlement?

THE PRESIDENT: Resettlement is the other main item. There are a few small amounts.

Q Have you included that amount in the total for the fiscal year without making your comparison on page XV?

THE PRESIDENT: Yes.

Q $790,000,000. or $650,000,000.?

THE PRESIDENT: $650,000,000.

Q The $140,000,000. is going to be put on next year?

THE PRESIDENT: Yes.

Q What happens to C.C.C. from July thirty-first to March first?

THE PRESIDENT: That is included in another item which goes up tomorrow, the $450,000,000. item.

MR. BELL: That would be an additional appropriation to the $790,000,000. but, within the $790,000,000., there is included in the expenditure estimates $650,000,000. and for the C.C.C., that is included in the $140,000,000. over and above the $650,000,000. In the Budget Summary section, there are $750,000,000., with $650,000,000. to

come out of the $790,000,000. and $100,000,000. out of it for the C.C.C. and other departmental items.

Q How can it be carried over into next year?

MR. BELL: There is $140,000,000. of the $790,000,000. that will be obligated to May fifteenth and June thirtieth for payrolls and materials which will be liquidated in July and August, 1938, of the fiscal year 1938. Is that clear? (Laughter)

Q Is it set up in the 1938 Budget?

MR. BELL: Yes. In the table we have included an amount for all these.

THE PRESIDENT: And the total amount, Fred (Mr. Essary), is in substantial agreement on it. Harry Hopkins and the rest of them think that we can get by with it.

Q In the 1938 table of expenditures on page XII there is no item for C.C.C. but there is a supplemental item of $450,000,000. Is that the cost of the C.C.C. for the fiscal year 1938?

MR. BELL: Just in part. You see, that includes other items too.

Q It is not in part -- that cost is a part of the $450,000,000.?

MR. BELL: That is right.

Q Did you say $350,000,000.?

MR. BELL: About.

Q Is that for twelve months?

MR. BELL: Yes, sir.

Q Is that included in the total for 1938, the C.C.C. supplemental appropriation?

THE PRESIDENT: Yes.

Q I notice you say that if Congress embarks on new extensions of Governmental activities it should supply additional funds?

THE PRESIDENT: Yes.

Q Would that apply to the farm tenant program and the housing program?

THE PRESIDENT: Unless they make savings somewhere else.

MR. BELL: These are already on the statute books.

THE PRESIDENT: They are new bills.

Q Then they are not provided in this Budget?

THE PRESIDENT: They may take these things out of the Budget. We do not always get what we ask for. If there are substantial increases we ought to have additional revenues.

Q In estimating the amount of revenues in 1938, have you taken into consideration that the widespread labor unrest may mean a reduction in revenues?

THE PRESIDENT: The experts in the Treasury take everything into consideration -- the acts of God and of man.

Q Haven't your estimates of revenues always been under the actual amount?

THE PRESIDENT: Yes, but for heaven's sake rap on wood when you say that.

Q They have been during the past four years.

THE PRESIDENT: Rap on wood. It has been grand so far.

Q It says that you are liquidating P.W.A. July 1, 1937. Does that mean P.W.A. won't take new projects?

THE PRESIDENT: It means we are not asking for money for P.W.A. over and above the present authorizations.

Q (Reading) "The amount allowed provides for a liquidation program starting July 1, 1937." Does that mean a real liquidation program?

Q Where is that?

Q A90 of the green book.

THE PRESIDENT: Those figures refer to the administrative expenses of P.W.A. We have to put it in this way. It runs out on the thirtieth of June this year and if the balance, which is over $200,000,000., is not -- the allocation is not extended, this figure would hold. If it is extended it would mean slightly higher administrative expenses.

Q P.W.A. must be statutorily extended?

THE PRESIDENT: Yes.

Q On page XIV, sir, there is a reference to national defense. I wonder if you or Mr. Bell could give us the total figure of the cost of national defense in the Budget? I see the increase amounts to $92,000,000.

MR. BELL: On page XIX, item No. 4 under Expenditures.

Q There will be no other allocations?

MR. BELL: That expenditure figure is based on the estimates of appropriations contained in this document.

THE PRESIDENT: It is increased from $887,000,000.to $980,000,000. for the next fiscal year. On a breakdown of that, Fred (Mr. Essary), there are certain obvious things. One thing I cannot talk about today -- I am going to tell you about that tomorrow morning -- that is two new battleships. It is strictly confidential for the moment. That is one of the items.

Q Can you tell us confidentially -- are they in here?

THE PRESIDENT: Yes.

Q This item of interest on the public debt is predicated on a continuation of low interest rates?

THE PRESIDENT: I hope so.

Q Would you explain something to me? On this statutory debt retirement fixed by statute: Why does it go down each year in spite of the increase of debt? How does it go down slightly from year to year although the debt goes up?

THE PRESIDENT: The amount put in this Budget is put at $401,000,000. in order to make it about comparable with other years. The retirement of public debt in the year past really has no effect on the gross public debt. We really put it there to be comparable with other years. In the years of a surplus you would have to put the full amount of the statutory debt retirement plus the amount carried over from previous years.

Q If this battleship business is to be announced in a Conference tomorrow morning, in writing for a story which is not to be released until the Message is delivered, there is no harm in mentioning it?

THE PRESIDENT: As long as it is not released until after this goes up.

Q Will it be a policy of the Government to have about $500,000,000. for public works from now on?

THE PRESIDENT: Yes. That includes a whole lot of other things. For instance, the highway program alone is far and above the biggest portion of public works. Rivers and harbors is the next sized item, then flood control, et cetera.

Q What about conservation -- soil erosion, et cetera? Will that be part of the public works?

THE PRESIDENT: I do not think that is in.

Q Is a nine-foot channel item in the public works item? Is it in?

THE PRESIDENT: Yes, that is in.

Q Can you tell us how much that was?

MR. BELL: $20,000,000., as I recall. It is in the tables.

Q Is there a request for a supplemental deficiency appropriation in addition to the $790,000,000. going up?

THE PRESIDENT: I do not know whether it is in the deficiency bill.

MR. BELL: There will be an item for C.C.C. We are talking about 1938. Do not get 1937 mixed up. $790,000,000. is for 1937.

Q Doesn't the statute require a fixed percentage, or is it a sliding scale?

THE PRESIDENT: I have not the dimmest idea.

MR. BELL: Congress appropriates -- has put on the statutes a permanent appropriation which is based on 2½% of the debt existing July 1, 1920, which is the amount of obligations of foreign governments then held. That is about $10,000,000,000. at 2½% which would mean an appropriation of $250,000,000. That was increased by reason of the interest on the obligations that would have been retired -- the interest on the obligations retired by the sinking fund. In other words, if you retire $250,000,000. of debt bearing 4% interest, you add the amount of that interest to the sinking fund the following year and your sinking fund then becomes $265,000,000. That appropriation is available until expended. The Secretary is under no direction to retire the debt in any particular year.

Q Let us get these deficiency appropriations straightened out in our minds. The deficiency appropriation for 1937 fiscal year -- there is the one item of $790,000,000. and then is there an additional deficiency appropriation to be added?

THE PRESIDENT: Yes.

Q How much is that?

MR. BELL: It is estimated that the supplemental estimates appropriations will amount to $100,000,000. to $125,000,000.

Q Therefore the deficiency appropriation for the current fiscal year will be $900,000,000.?

THE PRESIDENT: About that, yes.

Q That would be the amount of the first deficiency bill?

MR. BELL: Yes.

Q What is that $125,000,000. for, the C.C.C.?

MR. BELL: The C.C.C. and many of the agencies that have not sufficient funds to run through the years because of laws passed too late last session to get money.

Q Of course that is included in your total estimates for expenditures in the 1937 fiscal year?

MR. BELL: In the expenditure estimates there is included an item of $750,000,000., of which $650,000,000. comes out of the $790,000,000. and $100,000,000. comes out of the $125,000,000.

Q I knew it was covered but could not figure it out.

Q Going back to the Naval appropriation, with the same understanding as to use, can you tell us, as you told the others, how much is included for the starting of the two new battleships?

THE PRESIDENT: Can you tell us, Dan (Mr. Bell), how much in included for the starting? Twenty or twenty-five millions, I should say offhand.

Q Are these battleships new or replacements?

THE PRESIDENT: That I am going to talk to you about tomorrow. They

are replacements under the treaties.

Q As a matter of fact, it is very definite in the treaty that they are to be replaced certain definite years.

THE PRESIDENT: They would not have been replaced if we had pulled off the Naval Conference in London.

Q Is there anything in here for the Passamaquoddy Project?

THE PRESIDENT: I do not think there is, is there?

MR. BELL: No.

THE PRESIDENT: How about the Florida Ship Canal?

MR. BELL: Nothing in here.

Q On page XXII there is a breakdown of recovery and relief expenditures and then this item of public works. Is that what is left over for the completion of the emergency public works, outside of the new public works that is appropriated for?

THE PRESIDENT: Item 3?

Q The $407,000,000. there.

THE PRESIDENT: On that item 3 on page XXII, it is all under recovery and relief and the previous page shows the public works, the general public works.

Q This is really for the completion of the emergency public works program that has been authorized and is winding up, like Boulder Dam?

THE PRESIDENT: Yes.

Q On that same page there is an item of $230,000. for the Civil Works Administration.

THE PRESIDENT: It is liquidation of old obligations to municipalities and things like that.

Q How much new money does P.W.A. get under this?

THE PRESIDENT: Does not get any.

Q There is a revolving fund in existence for P.W.A.?

THE PRESIDENT: There is that appropriation, an appropriation of last year of $300,000,000. and, so far, we have only allocated a little less than $100,000,000. There is about $200,000,000. left and what we will probably do is ask for an extension of that authority beyond the thirtieth of June. The general policy in the expenditure of the balance of $200,000,000. is to confine its expenditure in municipalities, as far as possible, to paying the wages of people taken off the relief rolls.

Q Does that mean none of it will be spent for a housing program?

THE PRESIDENT: A portion of the housing program could come out of it. Just for example, if a new slum clearance were to be started in the City of New York or the City of Washington, and the only people on the relief rolls were unskilled workers -- taking that as a supposition -- and the total amount of money, the percentage of the total cost that would be paid to unskilled workers was only 15% of the total cost of the project, then we could take 15% of the total cost of the project out of this, out of that $200,000,000. fund.

Q You ask here for the extension of these taxes and you mention that some rates would be reduced. What taxes are they?

THE PRESIDENT: The stamp taxes would be one.

MR. BELL: On page A15 it gives you a breakdown of those taxes.

THE PRESIDENT: Taxes terminating.

MR. BELL: Right at the bottom here (indicating).

THE PRESIDENT: At the bottom of that table, on the right-hand side.

(Reading)

"Stamp taxes:
Issues of securities . . . . . .
Stock transfers . . . . . .
Sales of produce for future delivery . .
Admissions . . . . . .
Subtotal . . . . . $44,000,000."

Q On page VIII of the Message text, last paragraph, why the parenthetical reference there to "exclusive of expenditures from postal revenues"?

THE PRESIDENT: Because we always do that.

MR. BELL: Postal expenditures do not come out of the general funds of the Treasury.

Q On page XXII, under the public works, in subhead (3), you have "Loans and grants to states, municipalities, etc. . . . . $183,000,000." Is that a permanent policy?

THE PRESIDENT: It is the same thing that I talked about before. That can only be made out of the $200,000,000. left.

Q I see you have reduced the administrative costs of P.W.A. from $26,000,000. to $10,000,000. Does that mean cutting down a great many of the employees?

THE PRESIDENT: That is the same thing I answered before. That is on the theory that the Act expires on June thirtieth. I cannot put in an item. If we actually allocate by grant or loan the remaining $200,000,000. we will have to jump those expenditures up a little bit.

Q How may we use that information about the changed policy of P.W.A.?

THE PRESIDENT: It is not really any change of policy. I have been

talking about it, hinting at it certainly, during the last two or three months. We are trying not to perpetuate any more than we can help, P.W.A. except where the bulk will go toward taking people off the relief rolls.

MR. EARLY: You can attribute it to this Conference in your story tomorrow afternoon.

Q What was that?

MR. EARLY: The fact that we are trying to hold this $200,000,000. down to practically a relief fund.

Q That is just the $200,000,000.?

THE PRESIDENT: Yes.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #335,
Executive Offices of the White House,
January 8, 1937, 10.55 A.M.

Q Good morning.

THE PRESIDENT: Good morning.

Q The Press is working you overtime, Mr. President.

MR. DONALDSON: All in.

THE PRESIDENT: I told you the other day that I would give you the formal announcement about the two battleships, but because it came up in the Budget Conference yesterday afternoon, I thought it would be better to keep it and not release the battleship story until the Budget story is out of the way. It is only a matter of a couple of hours because the Budget will be up there at twelve o'clock today.

This is the memorandum given to me: (Reading)

"In accordance with the provisions of the Navy Appropriation Act of June 3, 1936, I have directed the Navy Department to proceed with the construction of two replacement Capital Ships. The keels of these ships may be laid in conformity with existing treaties at any time after January 1. Three of our battleships, the ARKANSAS, TEXAS and NEW YORK, will be more than 26 years old before these ships can be completed. If we are not to reduce our Navy by obsolescence, the replacement of capital ships can no longer be deferred.

"The last Congress made an initial appropriation for 'Two Capital ships, as replacement of over-age Capital ships, to be undertaken only in event that the President determines as a fact that Capital-ship-replacement construction is commenced by any of the other signatory powers to the Treaty for the Limitation and Reduction of Naval Armanents signed at London April 22, 1930.'"

That Treaty prohibited the United States, the British Commonwealth

of Nations and Japan from laying the keel of any battleship prior to January 1, 1937, and this restriction has been observed.

However, the laying of the keel does not mark the actual commencement of the construction of a ship. Prior to laying the keel, contracts have to be made and material assembled so that it will be some time before the actual keel is laid and, in fact, some time before the actual contract is let.

On July twenty-ninth, last year, the First Lord of the Admiralty, Sir Samuel Hoare, announced that the orders for two battleships of the 1936 program had been let. The keels, as I remember it from the press story, were laid the other day.

Q On January third.

THE PRESIDENT: On January third.

Q How many, two?

THE PRESIDENT: Two. And, in addition to those two British battleships, France laid the keel of the capital ship Jean Bart on December 12, 1936, and there are eight other capital ships under construction besides them, three in France, two in Italy and three in Germany.

I guess that is all except, of course, that I would like to express my very deep regret that it was impossible last year to obtain an agreement which would further limit battleship construction. It is true that this is replacement construction, but we had hoped that the date of replacement could have been deferred for another term so as to avoid the building of these new ships. However, agreement could not be reached although the United States Delegation did everything in their power to get an extension of new building, replacement building, agreed to by the other nations,

but it did not go through. That is much to our regret and I think that is all we can say.

Q What does a capital ship, completely equipped, cost now?

THE PRESIDENT: I don't know.

Q Is the fifty million dollar figure approximately right?

THE PRESIDENT: Approximately right. We haven't anything final from the other side but, as I remember it, the news story from England said that their ships would cost fifty to fifty-five million dollars each.

Q Any existing funds available to start these ships?

THE PRESIDENT: Only the general lump sum for construction and the item for continuing with the work -- letting the contracts -- is in the Budget that goes up at noon.

Q Mr. President, when these two obsolete ships are taken out of the line, is there any purpose for which they can be used, training or anything?

THE PRESIDENT: I cannot answer you except by a case that at the present time we have one obsolete battleship, off of which they have taken the guns. It is either -- I think it is the WYOMING. She is not considered a battleship because her armor has been taken off and her guns have been taken off. She is used for the midshipmen's cruise every year.

Q I think two of the old battleships, the TEXAS and the ARKANSAS, have also been taken out of the line within the last six weeks or two months and detailed to training service.

THE PRESIDENT: Oh, we have been using the ARKANSAS for midshipmen also, but they are (the TEXAS and the ARKANSAS) still considered a part

of the sixteen battleships allowed under the old treaty.

Q Would you say that the world naval armament race is now on?

THE PRESIDENT: No.

Q Has there been any decision as to fourteen or sixteen-inch guns or will there be any before April first when the time element expires for Japan to decide?

THE PRESIDENT: That I cannot tell you. I do not know. I think so, though.

Q Do you anticipate any difficulty of getting bids on these battleships because of the Walsh-Healey Act?

THE PRESIDENT: I do not believe there will be; I hope not.

Q What if they refuse?

THE PRESIDENT: You have to build them in the navy yards.

Q Any estimate as to when the ships will be commissioned?

THE PRESIDENT: I won't know that until the bids come in. One of them, of course, will have to be built in a navy yard anyway.

Q Mr. President, three of our battleships are much older than any of the others. Has any thought been given as to when we will build their replacements?

THE PRESIDENT: No; haven't got as far as thinking along that line. The hope is that we never will.

Q Have the two new battleships been designed? Is the design complete?

THE PRESIDENT: No, only rough sketches.

Q Can you tell us any of the characteristics that will probably be in them?

THE PRESIDENT: No.

Q Any names been decided on for the new ships?

THE PRESIDENT: No. (Laughter) You are about two years ahead of time, Fred (Mr. Essary).

Q Any reaction to your Message to Congress?

THE PRESIDENT: I know there are flocks of telegrams.

Q Is Governor Murphy (of Michigan) acting for you directly in the automobile strike?

THE PRESIDENT: No.

Q Mr. President, how is the gold sterilization program working out?

(Laughter)

THE PRESIDENT: As far as I know, it is producing the desired results.

(Laughter)

Q Mr. President, when can we look for appointments?

THE PRESIDENT: Some going up all the time. I think I have got another flock today. For instance, here is one on the top of my desk -- a large number of ensigns to be made lieutenants (laughter) in the Coast Guard.

Q I am not interested in those.

MR. EARLY: There will be a large volume of recess appointments going up today.

THE PRESIDENT: There will be a large volume of recess appointments going up today.

Q There has been a lot of speculation about your second-term Cabinet. Can you tell us anything about that?

THE PRESIDENT: No.

Q Are you going to send a Message up on the relief deficiency bill today?

MR. EARLY: It probably will be in the form of a letter.

THE PRESIDENT: It will probably be the usual thing on the deficiency bill in the form of a letter which goes to the Speaker, recommending appropriations to go into the deficiency bill.

Q Will you have that today?

THE PRESIDENT: I do not think I will send it up until Monday. I think also that at the House (House of Representatives) they expect to receive the Budget Message and then adjourn.

Q In view of this new situation in China, do you expect to ask for an embargo on the shipment of goods to China?

THE PRESIDENT: That raises the question of the fact of the rebellion. I have not thought of anything else at the present time except this Spanish Resolution.

Q One more point about the battleship question: In the discussion in the Budget, it says the Naval estimates of 1938 involve no expansion whatsoever over what it was planned before it was known that the treaty would not be renewed. How does that fit in?

THE PRESIDENT: I do not quite understand. Do you mean there is nothing further planned?

Q It says (quoting from the Budget Report), "The Naval estimates for 1938 have been prepared on the basis of our Naval needs as covered by plans evolved under conditions obtaining under the Washington and London treaties. They involve no expansion whatever over what has been planned before it was known that these treaties were not going to be renewed."

THE PRESIDENT: I guess Dan Bell forgot to leave out (put in ?) the "if" clause. We would not be building them if the other fellows were not.

Q Are you going to sign the Resolution today?

THE PRESIDENT: The State Department is supposed to have all the documents ready for me. Just as soon as it comes down here.

Q This morning?

THE PRESIDENT: No, but we will get it out as fast as we can and notify all the Collectors of Customs, et cetera.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #336
White House Executive Offices,

January 11, 1937, 4.30 P.M.

(Present: The Cabinet, and
The President's Committee on Administrative Management (Louis Brownlow, Chairman, Charles E. Merriam and Luther Gulick.)

THE PRESIDENT: Well, how many of you pupils have done your home work? (Laughter)

I hope you have all read the report or at least the summary of the report. I think it is fair, as background, to point out certain things before we take up any of the details of the report, and the first is what we talked about before -- I think last week. There continues to be this kind of fool headline in the Star tonight. It is based on an AP story, Harold. "Efficiency is above economy as object." Of course that is rot, just plain tommyrot. The way to save money in the Government -- 99% of savings come from cutting down appropriations and functions of government. It is all old stuff, but has to be repeated, though. The only way you can save money in the long run, 99% of it, is by cutting down government functions and doing less work.

Since I talked to you about that I have been going through the present government budget. Now, these are just rough figures: Say the total budget, keeping it in round figures, is about four billion dollars.

Then there are expenditures on which, no matter what kind of management you put in, you cannot save any money. Let us take some very simple examples. 860 million dollars, nearly a billion dollars, as interest on the public debt. Now how, through any reorganization of the Government, can you save one dollar on the interest on the public debt. Pensions: The machinery for paying the pensions is probably, so far as I have ever been told, as efficient as it is possible to get it. You have to have a certain number of clerks -- a certain number of card index people, a certain number of people running the check writers, and so on, and the average cost in paying pensions is almost negligible compared with the amount of the checks that are paid out as pensions. No amount of reorganization is going to save money on the payment of pensions unless you cut the pensions. But that is an entirely different subject from reorganization.

Take the question of building battleships: That

is a matter of contract. They are built by contract or, and it amounts to the same thing, in the Navy Yard. Through the increase in efficiency, the total cost of the battleship isn't going to come down.

The cost of the Army and Navy: Probably the food is bought as efficiently forthe Army and Navy as any human being can buy it. You cannot save on the cost of food by the reorganization of the Navy. You cannot save on the pay of the enlisted men of the Army and Navy, and the pay of the officers of the Army and Navy through a reorganization of Government, and yet these items alone -- the pay of the Army and Navy enlisted men and officers -- form the great bulk of appropriations for the Army and Navy,and so forth and so on.

The total amount of those items is somewhere around four billion dollars out of the total of seven. All right, how about the other three? Well, I don't think that government employees are paid very much too high. You can say, "Get an Act of Congress cutting the salaries of all government employees." Sure, but that has nothing to do with government reorganization. As a matter of fact, a great many are underpaid at the

present time. You are not going to make any savings on the pay of government employees. Well, that is an enormous percentage of the seven billion dollar figure.

Then, too, the buying of government supplies comes out of that. Well, if you will show me how I can buy them any cheaper, I will be awfully grateful. We buy them after every kind of protection -- advertising and competitive bids and so forth.

It has been figured out -- this is roughly speaking -- that through consolidations, through the elimination of over-lapping functions, we would probably under this bill be able to do at least as well and have results as good as has been obtained by reorganization of government in the states which have carried them into effect.

Governor Lowden was the first governor to do it back in 1917. Illinois had 107 government departments and agencies. They were cut to 9. I will just give you some high spots. Massachusetts under Calvin Coolidge, 1919; they were cut from 123 government agencies to 20. Let us come down to some more recent ones. New York in 1925 -- I know something about that one. They cut --

Governor Smith cut 180 departments down to 18. And another one we all know about, for it is more recent, is Virginia in 1928, under Governor Byrd, cut 95 departments to 11 departments and two agencies. Maine in 1930 cut 65 departments to 8 departments and 7 agencies.

It is fair to ask, "What was the net result?"

As far as we have been able to determine, the net saving, considered on the basis that the functions the year after the reorganization remained the same, showed a saving of probably not more than 1½% in the maximum case down to half of one percent in others.

Q Was that in money?

THE PRESIDENT: Yes, in money.

That was caused by the removalof overlapping functions and the cut in duplication of personnel. That was the net result and it is figured that, in this reorganization, we would have some substantially similar result. I hope that we will be able to cut on the three billion dollars I have been talking about, let us say one percent, and that would be 30 million dollars, in the actual running of the government, assuming that the functions are the same, which, of course, is a necessary assumption.

Now this report: We might as well take it up at the same point. The unthinking person says, "Aha! The first thing that this report suggests is creating two new departments." Sure. Now, I will tell you a story about a farmer who lived near me. He was in trouble -- inefficient. He went down to the county agent and the county agent went down and looked him up and talked it over with him. It appeared that he didn't know how to do things. The first thing the county agent found there was the fact that he had fourteen out-buildings. He had three separate hen-houses; he had a couple of tool sheds, and a couple of wagon sheds and a number of other out-buildings. The first thing to do was to get rid of his over-load. What did he do in his own time? He built an addition to his barn. That looked wasteful, but, having built the addition to his barn, he took allthe things that had been in all of the out-houses and put them all in the barn, or addition to his barn, and then he tore down all of his out-houses.

He got rid of them and saved a tremendous figure in his overhead and besides an awful lot of steps. He didn't have to walk a mile a day between out-houses.

All of the things that they contained were in the one addition to his barn.

In the State of New York, to use the same parable, there were 180 different agencies of government, of which 12 were departments. In other words, there were 12 departments and 168 agencies and commissions and boards and Lord knows what. The reorganization created 6 new departments -- that is true, but it abolished all of the 168 outside, distinct agencies as separate agencies and put them into the total of 18 departments.

" In other words, would it be worth our while in the Federal Government, where we have around 105 different departments of government, including the 10 regular departments -- in other words, 95 outsdie and the 10 regular departments -- isn't it worth while to create two new departments and bring the 95 under them? Of course it is.

Now, the report itself has the details. Let me again suggest what I suggested the other day, that these are matters of commonsense management. I hope that you will use the word management a great deal in any stories you may write for this reason:

The word "management" is a thoroughly clear American word. The housewife is a good "manager" -- we all know what that means. If we say our wives are good managers, everybody understands what we mean. If a small gasoline station is working out well and making money, what do we say about the owner? We say, "He is a good manager." If it is a corporation, large or small, they have a "good management." What we are trying to do is to put a good management into the government in exactly the same sense of the term. In order to do that, we are adopting in this report what might be called the best business principles that are used by the more successful businesses in the United States -- private concerns -- and we are applying their methods which, on the whole, have worked out pretty well when applied to government.

Therefore, this report suggests that, in order to accomplish that, we never overlook the question of principles. Well, because we stick to principles rather than go into the details of it, a very large amount of discretion must be left to the manager. Well, unfortunately from my point of view as far as personal comfort goes, the Constitution of the United

States says that there is just one manager and nobody else. I am the manager, and if business does not go well -- well, I've got trouble. I fail at re-election. I am the manager and I am responsible. I am responsible for the misdeeds, in the long run, of somewhere around 580,000 Federal employees. If the number of those misdeeds pile up and I could have prevented them, the population knows where to place the blame and so does Congress.

So, we come down to what you have right here -- (indicating press release of January 11, 1937) -- a five point program which is based again on principles.

(Reading)

> Modernize the White House business and management organization by giving the President six high-grade executive assistants to aid him in dealing with the regular departments and agencies.

There is a lovely line which is worth quoting (from the report itself) that executive assistants should be chosen for one qualification -- a passion for anonymity.

Q In other words, if you ask them a question, they won't even say , "Good morning."

Q (Mr. Storm) We don't want that kind.

THE PRESIDENT: Fred (Storm) wants to know if I have anybody in mind for those places. Yes, I have two fellows all selected. And Fred says, "Who are they." They are John Doe and Richard Roe.

Now, those executive assistants, lest somebody go out on the limb and say they aræ going to be assistant presidents -- there is another thing that is made perfectly clear -- they won't have any authority to give an order and won't have any authority to determine a policy. I need legs. Here is a ca se in point just to illustrate. There are a good many of the departments of the Government that are concerned with foreign affairs, one way or the other. There are a good many divisions in the State Department, the Secretary, the Under Secretary, three or four assistant secretaries. Then there is the Federal Tariff Commission and the Department of Commerce and the Department of Labor -- all concerned with a good many foreign questions.

The idea is that one of those executive assistants,

just for example, would go around every day or every three days and talk to those people. He would say, "Is there any way I can help? Have you any problem that can be taken up as between departments?"

Well, to give you a very interesting illustration -- just background -- it happened today in the Cabinet meeting. I told the Cabinet that I had found in my desk drawer a memo which bore a date of last June. (Laughter) I had forgotten all about it. I had put it in my desk drawer to do something about it. It related to trying to have greater cooperation between Americans who are Government people who are sent abroad by a dozen different departments; not only the State Department people and the commercial attaches, but the agricultural attachés, the naval attachés -- the Navy is always sending people abroad -- the War Department, the Labor Department, etc. In other words, a greater tie-in between representatives of this Government who go into foreign nations.

Well, as I say, this thing had been in my desk since last June and I revived it and gave it to the Acting Secretary of State and asked him to co-ordinate, to have some kind of a meeting of all those

people.

Now, in the future two things would happen. I would not have to bother about a detail of that kind. It would not go into my desk and get lost for six months. It would be given to an Executive Assistant and he would be told, "See if you can fix this up." He would go around and see Judge Moore and Dan Roper and Frances Perkins and the rest of them and try to bring me a joint report that all of them had agreed on. That would save me any amount of time and trouble. Today I have, as you know, a tremendous number of these 105 different heads of departments coming in to see me personally. The result is that I don't get enough time to think. When I have a Message to Congress to prepare, it means that I have practically got to stop public business for about three days beforehand to get it out.

The second part -- point of this five point program also relates to the actual work of the President. It means the creation of three services directly under the President, the reason being that these three services do not properly belong and cannot properly go under any one of the 12 departments. One of them

is already under the President and that is the Budget, and this strengthens the budget office and places in the budget office a branch -- a division, which would, year in and year out, be constantly checking on executive management, knowing all about how the money is spent in all of these departments. It is the best place to put it, to see how conditions change and when there should be resulting changes within the departments. It is a perfectly possible thing because even departments change, you know, every year. There may be an absolute necessity to shift a bureau from one department to another, to abolish a bureau or to recommend its abolishment to the Congress. Or it may be that two bureaus are beginning to encroach upon each other's territory. This would be an added function on the part of the Bureau of the Budget to keep the machinery up-to-date. Practically every large corporation has a small force, a very small force, that is constantly studying the problem of better executive management. They have all got them. And so it would be in this case a very small force, but they would be constantly at work trying to better the management.

The second of those is personnel, and the Committee has brought in a recommendation that the Civil Service should be brought into direct contact as an adjunct of the President's own office. It is perfectly obvious that in that way we would be able to get a better Civil Service in the Government. As it is at the present time, the Civil Service Commission as it exists today is completely outside of any real relationship to the President. They have to go up to the Hill and say to the Appropriations Committee, "You know, our lists are six years old in a good many cases and we have still got on such a list five thousand names, but the examinations were taken six years ago and we ought to get a new list. We have skimmed the cream off the existing list and we ought to have another examination. Well, that is an easy way for Congress to save money -- it is one commission among many in the Government trying to get additional funds. If that was a part of my office, I could go to the Committee on Appropriations and say, "Look here, a lot of these new people we are putting in under the Civil Service are inefficient. They are down at the bottom of the list. Yes, they passed the

examination with a grade of 70, but we ought to get a new list. That would bring the thing right out in the open to improve the whole status of the Civil Service. And it would create something. The people in this country, 80% of them, believe in the Civil Service. They want to see it extanded. They want it made more efficient. They want to make it a career service, as it should be. Therefore, there should be a check from the outside on any administration. In other words, somebody representing John Public to see that Civil Service lives up to its best objectives. And so the Committee recommends the appointment of an advisory civil service commission -- non-paid people who would meet at least four times a year and be paid their travelling expenses and a per diem of say $25 a day for every day it meets, or something like that. They would check over everything that the Civil Service Administrator was doing and he would be a member of that advisory group -- he would be the seventh member. They would be the people from the outside, representing the public. They would be checking up on the efficiency of the Civil Service and try to keep people there who would be non-partisan and at the same time with a passion for improving the Civil Service.

The actual Administrator, as I said, would be one of the three agencies directly under the President. There are also a good many recommendations for the improvement of the Civil Service standards and the improvement of Civil Service pay so as to make it more of a career -- extending the Civil Service not only to any agency which is permanent or has some prospects of being permanent, but also extending it up into a good many of the higher positions at the present time which at the present time are not Civil Service. It is very easy to say that I can do things by Executive Order but I have got to have more than that -- I have got to have legislation. Last year I put all postmasters under Civil Service. I want to get a law making that permanent because that is only an Executive Order. The next fellow in this chair may issue another Executive Order abolishing it, changing it. It ought to be a permanent aspect of the Government. The same thing will apply to a good many of the agencies which, without question, will become a permanent part of the government until and unless some future Congress abolishes them or cuts them down. C. C. C. camps

are an example, so is Triple A, certain functions of Resettlement, Home Owners Loan, and so forth. Home Owners Loan, of course, would continue as a liquidating agency for a great many years to come -- it has to, and should be put under Civil Service.

Then, the third managerial arm of the President is the Planning Section. It would take the place of not only the National Resources Board but a great many of the planning operations today which are done solely because I bring in here the heads of the different departments. I had, for instance, this morning, the Chairman of the Federal Power Commission, Mr. McNinch, and Morris Cooke and Basil Manly and we were talking about a bill that would more clearly establish the Federal Policy in regard to the sale of power. It was in special connection with the sale of the Bonneville power, but extending necessarily to the sale of other power as it comes in -- Fort Peck, Grand Coulee, even TVA, so that we would have a uniform Government policy on it. Most of the planning work, however, would relate to public works. There again, following what we talked about so many times before, the thought at the present time is that we could spend for that -- we could afford about

five hundred million dollars a year for public works of all kinds -- rivers, harbors, highways, dams, flood control. You all had those figures many times. The idea is that this planning commission would bring out, make a study of and make recommendations on every known kind of suggested project. They would list them in what they considered the order of their importance. I would say to them, "All right now; you have a list of a billion dollars. That is silly. I cannot afford more than five hundred million. Give me your idea of a preferential list again in the order of their relative importance for five hundred million. I would send both lists to the Congress, the five hundred million preferential and the five hundred million secondary, leaving it entirely to the discretion of the Congress as to whether they want to take the first list or take some things out of Class A and substitute things in Class B for them, thereby helping the Chairman of the Appropriations Committee to stay within my Budget. That is another factor in it.

Then the third is to put the whole governmental administration on a new basis. (Reading)

> Place the whole governmental administrative service on a career basis and under the merit system by extending the Civil Service upward, outward and downward to include all non-policy-determining positions and jobs.

With, of course, certain necessary exceptions. Well, the easiest example I can think of is the "G" men. Should they be chosen in the first instance under a Civil Service examination and kept under Civil Service or not? That brings up a typical exception to the general rule, but there are very few exceptions in government. Then there is a very confidential position. Obviously you couldn't go to the list and take number one man off the list and put him in a confidential position. The private secretary of a Cabinet officer should have the complete confidence of the Cabinet Officer. It is essentially a confidential position and he should not be asked to take anybody at the top of the list and put him there. But the exceptions to the general rule are relatively very, very small.

Then you come down to number four: (Reading)

Overhaul the more than 100 separate departments, boards, commissions, administrations, authorities, corporations, committees, agencies and activities which are now parts of the Executive Branch, and theoretically under the President, and consolidate them within 12 regular departments and that would include the existing ten departments and two new departments, a Department of Social Welfare and a Department of Public Works. The name of the Department of Interior is changed to Department of Conservation.

On the question of these names as, for instance, Social Welfare, I don't think it makes an awful lot of difference. I have been here a good many years and remember that going back 20 or 25 years when I first came here, there was a real demand to have a Department of Health -- Public Health -- with a Cabinet officer for Public Health. You and I know as a practical matter, talking about business management now, that there isn't enough work in the present Public Health Division of the Treasury to justify making it a separate department. And a lot of the educators want a Department of Education. There isn't enough Federal work in education to justify making it a separate department. There are a lot of people who want a Department of Art -- lots of them. There isn't enough Federal work relating to art to constitute a separate department. So we have this Department of Social Welfare or Public Welfare; the terminology is the

least important of these recommendations. On Public Works, the general idea is to put things having to do with the construction work of the Government into one department.

Now, another thing, coming down to instances, don't all jump to the conclusion, for example, that the Army Engineers would be abolished. That would be silly. Well, to take this example so that you can talk about it, I don't know why anybbdy would suggest abolishing the Army Engineers and transferring them to a new Department of Public Works. Why, what are the Army Engineers? They are meant for fighting. That is the only, sole reason for their existence. They are meant for war. There is not another reason for the existence of the Engineer Corps of the Army. They are generally the top people who graduate West Point. They are meant for war -- part of the national defense of the country. But you have to give them something to do in times of peace. You have to train them. So it has been the custom for a century when there was some kind of public works to be done to use the Army engineers and give them training by having them build that public works.

Of course the Army Engineers will stay under the War Department but -- well, here is the case that came up. Three years ago we started, almost simultaneously, Bonneville and Grand Coulee. They were both very large engineering projects and I looked around and I said to myself, "How are we to build them?" Under the law at that time I had a pretty free hand. They both related to flood control -- they both relate in varying degrees to navigation -- they both generate power. Grand Coulee has the additional future function of pumping water up as a reclamation project. The first thing I did was this: Are the Army Engineers too busy to build one of these Dams? I asked the Chief of Engineers. He said, "No, we can undertake one but not both." So I gave him the Bonneville. To Reclamation Service, I said, "Are you ready to undertake the other one?" It said, "Yes, we are just about through at Boulder Dam; we can undertake Grand Coulee." So we assigned that to them.

Now, the thought is this: Suppose the new Department of Public Works had some new dam to build. They would make a survey just as I did and they would decide whether the work was to be under-

taken by the Army Engineers or Reclamation Service or by contract. If all of the agencies of the Government were piled up with work, they might let out a contract. If they thought the Army Engineers could do it, they would give it to them as the agents of the Department of Public Works to carry it through. I just use that as an example to show how ridiculous 99% of the stories that come out may be about changing this and that. What we need is management rather than drastic change.

Then, finally, (reading)

> Make the Executive Branch accountable to the Congress by creating a true postaudit of financial transactions by an independent Auditor General who would report illegal and wasteful expenditures to Congress without himself becoming involved in the management of department policy, and transfef the duties of the present Comptroller in part to the Auditor, to the Treasury, and to the Attorney General.

Now, as a matter of fact, in going back and reading the debates in the Congress when the Office of Comptroller General was set up in 1921, it is perfectly clear that the intent of the Congress was to get what it, as the representative of the people, was entirely entitled to, an audit of Government expenditures, just the same way that on behalf of the

stockholders of any big corporation such as the Steel Corporation, General Motors, General Electric -- Haskins & Sells or some other firm is hired to audit the books and to make any suggestions about better accounting and about leaks in the vouchers or the methods of payment. As it turned out, however, the Comptroller General undertook, not a post audit but an audit of the vouchers before they were paid. In other words, as an auditor, he audited himself. He audited his own decisions. When it came to a question of making decisions on the law, although he was not a lawyer he set up a legal staff. We had the famous illustration of the Navy Officer who got to retirement age out in the Philippines. You all remember the case. If he had started home from Manila twenty-four hours before he had retired, he would have got his pay for the trip back and for the transportation of his family and household goods. But the Comptroller ruled -- a legal decision -- that because he didn't start back until two days after he was retired, he had to pay his own way. And that was a question of the interpretation of the law.

Well, the matter was referred informally to the

Attorney General, and the Attorney General, who, under the law, is the principal law officer of the Government to advise with opinions all of the department heads, -- the Attorney General ruled that of course the law meant that this fellow who had retired two days before was entitled to his ticket home. That is a matter of commonsense, but the Comptroller ruled otherwise.

Now, this takes away from the new set-up, the right of some outside agency to give advice on the law and restores that to the Attorney General, where it belongs. It changes the name of the Comptroller General to what it should be, Auditor General, and leaves him as the instrument of Congress, as Congress intended him to be. He will constantly check up on the expenditures of the Government and the accounting system of the Government and make recommendations to the Congress. It also sets up by law a Joint Committee in the Congress which will be in constant touch -- a permanent committee, whether Congress is in session or not, which will be in touch with this Auditor General, constantly trying to improve the accounting methods of Government, and to eliminate duplication or waste or overlapping or improper vouchering.

The vouchers themselves would be returned to an office in the Treasury, where they will be passed on. If the Auditor General, when they have been passed on, sees something he thinks is wrong, he notifies the Secretary of the Treasury, who gets an opinion from the Attorney General and, if necessary, the whole matter is laid right out before Congress.

Q May I ask a question?

TH E PRESIDENT: Yes.

Q I am not quite clear where that Auditor General comes in on the general plan of reorganization.

THE PRESIDENT: He is a Congressional agent. I have absolutely nothing to do with him -- not one single thing. He is the agent of the Congress and, more especially, the agent of this permanent joint committee of the Congress. The only thing I do is to send his name to Congress.

The next paragraph is headed, "Executive to Assign Bureaus". (Reading)

The report of the Committee does not deal with the abolition of emergency or established activities or jobs, which is stated to be a matter of policy for the President and the Congress to determine, but devotes itself entirely to setting up an efficient modern machinery of government. But in this process over 80 activi-

ties are abolished as separate and independent establishments and their work transferred either to the new Departments of Social Welfare and Public Works, or to one of the 10 old departments. The exact placing of bureaus and activities is not set out in the report as this assignment of work is placed upon the Executive as a continuing responsibility, after research by the Bureau of the Budget, in accordance with efficiency and service standards to be fixed by Congress. Such assignment and division of work, once the standards have been set by law, is regarded by the Committee as an "executive function."

In other words, you ask me, "Where is X Bureau going?" I say, "The Lord only knows, I don't." That is a thing that I will not say anything about. I will keep a completely open or blank mind, if you choose, until after the bill is passed. And guesses will be, as usual, 90% wrong. (Laughter)

(Reading)

No estimate of savings by reorganization is contained in the report, though these will follow, in the opinion of the Committee.

I have talked about that. (Reading)

Extensive economy beyond this point depends upon a change of policy, the abandonment of functions, the demobilization of the staffs involved, and is outside of the terms of reference of the Committee on Administrative Management. The Committee points out, however, that the recommended plan of organization which ties all agencies into 12 departments is designed to permit the prompt and efficient demobilization of any activities which are later discontinued by act of Congress or Executive Order.

Now we come to Assistants for President. (Reading)

> The proposed addition to the White House staff is not to be made up of "Assistant Presidents," says the Committee. It will be composed of half a dozen men --

Oh, Heavens, I may appoint only three or four, if and as necessary. (Reading)

> -- drawn from the very top of the existing career service or from outside, and will assist the President in organizing and maintaining contact with his departments. These executive assistants will not issue orders or make speeches, but will work directly and anonymously in the White House --

You see, "directly and anonymously". There you are.

> -- getting information when needed by the President in making decisions, and then in seeing that decisions are promptly communicated to those who are involved. They would be like the private assistants of the president or general manager of a great private business. The Committee condemns the existing situation and says that the President of the United States, managing the biggest business in the world now has less assistance of this sort than many state governors, city managers and mayors, and executives of even small private concerns.

One of those executive assistants I would probably use as a legal assistant. In other words, every single day there are little things that have to be looked up. What does the law say on this or that. I suppose we have that an average of once a day, a question of "What does the law say?"

Rudolph Forster has been doing most of it. Rudolph is perfectly grand and, as long as Rudolph is here that is perfectly grand. But there ought to be a legal assistant, for whom I can ring or call up and say, "Here is the question ... I want it looked up." I did it for four years in Albany. Sam Rosenman was up there and he was of tremendous assistance in taking a lot of those details off me.

Now we come to "Personnel Reorganization." That goes into the same thing I have talked about.

(Reading)

Extensive reorganization of the civil service system with increase off salaries for posts of great responsibilities is a part of the program. As the Committee says "Government cannot be any better or more efficient than the men and women who work in it." It is pointed out that many of the people are now leaving the Government for industry because Government does not offer a satisfactory careef. Top posts both in and out of the Civil Service are underpaid, and there is no systematic provision for transfer and advancement in the service. This is corrected by making personnel administration a part of every department, and a part of overhead management by establishing a Civil Service Administrator to work directly under the President, just as the Budget Director does now. This Administrator would devote his attention not only to giving civil service examinations, recruiting, classifying, etc., but even more to finding able people who can be brought into the Government, especially on the lower rungs of career ladders, to discovering able persons in

the service, and to seeing that they get training and opportunities for promotion, and generally to advancing the merit system and the career idea. Salaries in top posts are increased, and the civil service is extended upward to include all except the Secretaries, Under Secretaries, Assistant Secretaries, and similar positions.

Over 250,000 positions, some of which are now under merit principles, will be brought under civil service within one year. Unless designated as "temporary" or "policy-determining" by Executive Order, all Federal positions will be covered into the civil service. Those persons in these positions will not be given civil service status, however, without taking a qualifying examination given by the new Civil Service Administrator, and without being certified by their director as having "rendered satisfactory service" in their posts.

The Civil Service Commission, which has been the policeman of the civil service since 1883 is abolished. The administrative duties are transferred to the Civil Service Administrator, who, though appointed by the President, is himself selected on the basis of competitive examination, while the protectionof the system from politics is to be enforced by an unpaid citizen board, composed of seven members with seven year overlapping terms and provided with funds for investigation. This Civil Service Board, says the Committee, for which the President can secure the ablest men and women of the country, drawn from business, administration, education, the professions, labor, and finance, will be "the watch dog of the merit system." Under the program of the Committee it would be impossible to appoint to this Board any person who is a party committeeman, or who has held or run for political office within five years.

Now we come to the heading, "Danger of 'Fourth Branch.'"

That is not the "Fourth Estate." (Laughter) (Reading)

The Committee on Administrative Management also condemns all other boards and commissions when used for management, and recommends that they be abolished and their work transferred to the regular departments, in which there would be set up, wherever needed, a commission or board to deal exclusively with the judicial phases of the work. The Committee points out that the independent commissions have been created one by one over the last 50 years, and that they threaten in time to become a "headless fourth branch of the Government, not contemplated by the Constitution, and not responsible administratively either to the President, to the Congress, or to the Courts."

Now, on the Fourth Branch, there are a lot of illustrations you could use. For example, take the Federal Power Commission. The Federal Power Commission does two things -- three things. It sets up the power policy. Secondly, it handles various rate questions, power things within its special jurisdiction but not of a judicial character -- fact finding and things like that. Then it has a judicial character also, because it can grant a permit or deny a permit. From that judicial decision you can appeal to the Court.

Now, there is no intention in this of bringing any of the judicial functions of any of the outside commissions under the Executive Branch of the Government, but there is every intention of bringing

the administrative work of the commissions under the Executive Branch of the Government -- under one of the 12 departments.

Q Does that mean, Mr. President, that these commissions will not be abolished but that some of the functions will be taken away.

THE PRESIDENT: Most of them will be kept right on; they won't be taken away from them, but have to report through them. For example, one of the Commissions brought in last October a budget. I went over it very carefully with the Director of the Budget and he thought it much too high and we cut off two or three hundred thousand dollars. It is one of the smaller commissions. We cut off two or three hundred thousand dollars. I still think they can get on without the two or three hundred thousand. If they had been under a member of the Cabinet in reporting to me, they would have had the same rule applied to them on their administrative work or, in other words, their clerk hire, and so forth, and investigations for this that or the other thing, as any other department of the Government. But it did not -- they did not accept my budget cut. They put in a special report which does not go via the

department head or me but went straight to Congress and they asked not only for the two or three hundred thousand dollars, but they asked for five hundred thousand dollars more.

Q Did they get it, Mr. President?

THE PRESIDENT; Well, it is in before the Committee. What the Committee will do, I don't know.

Q Did you refer specifically to the Interstate Commission or the Federal Trade Commission?

THE PRESIDENT: The same thing, Interstate Commerce Commission or Federal Trade. They remain independent agencies so far as their judicial work is concerned. Nothing there under the President of the United States.

MR. BROWNLOW: In the language of the Committee, they are in the Department only for their housekeeping functions.

Q Would that be provided in the Act -- what their judicial powers are?

THE PRESIDENT: Yes.

Q But a line would be drawn. They all claim their functions to be judicial.

THE PRESIDENT: Of course. Here is a case in point: The Congress passes a joint resolution asking the Federal Trade Commission to make a report. What was the

last thing they have to make a report on?

Q Milk.

THE PRESIDENT: They asked the Federal Trade Commission to make a report on milk, and the Federal Trade Commission is asked by the Committee on the Hill -- that is the usual thing -- is asked by the Committee on the Hill that has the bill in hand, "How much do you need for this?" Well, the Federal Trade Commission says, "Half a million dollars." Now, if the Congress would say to me, "Mr. President, have a little check-up made through the Budget and see whether these fellows can justify a demand for five hundred thousand dollars." There you have the managerial responsibility. And maybe, I think probably it is likely that I might cut the five hundred thousand down to four hundred thousand and save a hundred thousand dollars. But, insofar as control of that kind goes, I have nothing to say at the present time. The money is voted by the Congress to them without any check-up except what the Congress may give.

Q And under this set-up?

THE PRESIDENT: Under this set-up, the Congress would say to me: "We want the Federal Trade Commission to

make an investigation of milk. How much do you think they ought to have?" I say, "I will find out." I say, "Dan, Congress wants this investigation made. Go to the Federal Trade Commission and ask them how much they want and make them justify their figures." That is what the Budget Bureau is for, to make them justify their figures. Then I report back to the Congress and Congress appropriates the money. In handling of this investigation today, the Federal Trade Commission, when investigating milk, might go out and employ my boy Franklin and make the investigation. Franklin doesn't know a thing about investigating milk. There ought to be a checkup on the people the Federal Trade Commission employs on the investigation. They have to justify the employment of the people they put on the job.

Q They -- these agencies would be assigned to one of the twelve departments?

THE PRESIDENT: Just for their administrative work.

Q Will there be anything in the action suggested to the Congress that that is what it should be? You couldn't prevent Congress appointing the Federal Trade Commission, could you?

THE PRESIDENT: Pretty close to it -- awfully close to being

unconstitutional -- awfully close. (Laughter) Even under a liberal interpretation of the Constitution.

Q Who settles these border line cases, Mr. President?

THE PRESIDENT: I guess we will sit around the table, as usual. We have been doing it the last four years.

Q Then Congress would ask you instead of directing the Commissions?

TH E PRESIDENT: Oh, they can direct. That is the purpose of it. If they direct that a new battleship shall be built, I have got to build it. They have the same powers. We are not taking any powers away from the Congress.

Q By holding the purse strings, won't you influence the Commission's judicial functions?

THE PRESIDENT: I don't control the purse strings. Congress does. I only recommend to Congress.

Q Your recommendation is often carried.

THE PRESIDENT: Still Congress has the power to give them twice as much money as I recommend.

Q You could stop that though, couldn't you? You could veto a resolution to that effect?

THE PRESIDENT: I could stop the money?

Q You could veto?

THE PRESIDENT: This Wilson quotation covers it fairly well.

(reading)

> The Congress and the Executive should function within their respective spheres. Otherwise efficient and responsible management will be impossible and progress impeded by wasteful forces of disorganization and obstruction. The Congress has the power and the right to grant or deny an appropriation, or to enact or refuse to enact a law; but once an appropriation is made or a law is passed, the appropriation should be administered or the law executed by the executive branch of the Government. In no other way can the Government be efficiently managed and responsibility definitely fixed.

In other words, once an appropriation is made, I have a mandate from the Congress to carry it out. No question there.

Q But you have to sign an appropriation bill?

THE PRESIDENT: Oh, yes. But if I do not sign it, they can pass it over my veto. Here is a very good example today. You know, the budgets of the Courts today come in through the Department of Justice. As to every court today, the budget comes in through the Attorney General, including the Supreme Court. (Laughter)

Q Most of these investigations spend more than their original appropriations now, do they not?

THE PRESIDENT: I think that has been the general history. They do not terminate when they are supposed to

terminate. Now, there is another thing. A lot of these investigations I believe, if I had something to say about the management -- the budgeting of it -- I could say to the Commission, "You have to finish this insideof a year and if you don't finish it inside of a year, you have to give me a mighty good reason why." You know, they run on and on and on.

Q When this report is sent to Congress tomorrow, will your message also outline the recommendations such as are in this summary?

THE PRESIDENT: Yes. I haven't written the message as yet but the message is going to run a good deal along the lines of the summary.

Q Will a draft of a bill accompany it?

THE PRESIDENT: Lots of people have been thinking about a bill. In talking with the leaders of the House and Senate yesterday afternoon, they suggested that the Legislative Council on the Hill --

MR. BROWNLOW: The House and Senate each have a Legislative Council.

THE PRESIDENT: Yes, and they work right in together like that (indicating) and it was suggested yesterday that this Legislative Council in the Capitol invite the members of the Committee and their experts

to go up to the Hill and talk with them about the draft of legislation.

Q In one bill?

THE PRESIDENT: I don't know.

Q Mr. President, did you find an entirely favorable response from the members of Congress you talked with?

THE PRESIDENT: A very interesting response because this is a rather new approach. Of course there were innumerable questions.

Q What happens to the Brookings Report and the Byrd Report? Does that affect only Point Four?

THE PRESIDENT: I don't know because I haven't seen it. I haven't seen the Brookings Report -- that is, the Byrd Report, but what we are told is that it relates primarily to personnel.

Q That is Point Four?

THE PRESIDENT: Yes. They have sent around questionnaires to all the departments asking them to fill out what every clerk was doing, how many letters they read a day, and the functions of the filing clerks, etc. We have been terribly busy filling out all the reports in the agencies and departments for the last three or

four months, so I imagine those reports would be based on the questionnaires.

Q The Committee reported to the Congress, recommending the establishment of a joint committee of the House and Senate. I understand they are going to work before such a joint committee. Would this be referred to them to take advantage of their study?

THE PRESIDENT: What Committee would the bill be referred to?

Q Yes, that is one point.

THE PRESIDENT: I don't think they have decided that on the Hill. It might be a special committee - I don't know. They hadn't decided last night.

Q Will this bill take the form of carrying into effect the proposals made in the Report or merely give you the authority to carry their proposals into effect?

THE PRESIDENT: Both ways. Some of them would be carried into effect by the Bill itself, such as the creation of two new departments. Others, such as what agencies should go into each department, and so forth, would be left for me to do.

Q Mr. President, the message tomorrow, will it recommend legislation or just submit this report?

THE PRESIDENT: Submit the report and recommend legislation along the general lines.

Q Do you expect this will be accomplished this session of Congress?

THE PRESIDENT: I hope so.

Q It is your purpose to place each one of these independent agencies into those twelve departments?

THE PRESIDENT: So far as administrative work is concerned and only so far as administrative work is concerned.

Q The Act itself would preserve the judicial functions of the independent commissions?

THE PRESIDENT: Absolutely, so that the judicial functions of all these outside Commissions would not, in any shape, manner or form, be under the executive branch of the Government.

Q Could they legally delegate to you the authority to abolish a Commission which was established by statute?

THE PRESIDENT: No.

Q They would have to do that themselves?

THE PRESIDENT: Yes.

Q All they would authorize you to do is to transf er agencies?

THE PRESIDENT: I would not have any right to abolish a Commission in the same way that I could consolidate two bureaus.

Q And they could not delegate such right?

THE PRESIDENT: No.

Q In the case of the Interstate Commerce Commission, wouldn't that mean considerable legislation to be enacted in addition to your proposal with respect to judicial functions?

THE PRESIDENT: Wouldn't be a difficult thing to do.

Q For management and report to you, it would have to be under some cabinet officer?

THE PRESIDENT: In other words, what would happen would be this: You would still have the Interstate Commerce Commission with their own building and staff and court room and so forth. So far as we are concerned, it would be just as much independent in making its decisions as it is today. Actually, when it came to purely management things, they would clear through one of these twelve departments, via me, to Congress.

Q They would be no more under you than the Courts are? In other words, it would be the same as the Supreme Court now sending its budget through the Attorney General?

THE PRESIDENT: The same thing.

Q The Humphreys decision took away from the President the power to remove members from independent commissions. Does that change this system?

THE PRESIDENT: No, I don't think so.

Q Does this report and the studies on the preparation of the bill conclude this Committee's work, or will it be continued?

THE PRESIDENT: They will work with this Legislative Council and will probably continue before whatever committee the legislation is referred to.

Q It speaks of fourteen thousand postmasters. Does that include all of the first class, from top to bottom?

THE PRESIDENT: Yes.

Q Would there be any separation of the administrative and judicial functions of the agencies? Would the agencies continue to be partly administrative and partly judicial, or would their judicial functions be taken away and put in some new body?

THE PRESIDENT: Oh, no. They would still run their own administration, only they would have to clear some of the things, like every other department.

MR. STORM: Thank you.

THE PRESIDENT: Wait a minute. You haven't finished yet, I don't think. (Laughter) Here are some other things. "Executive Accountability to Congress." They talk here about what has been recognized or found in the old Lowden report and in the report of the Secretary of the Treasury, Carter Glass -- in fact all the way through for the last twenty years -- about the necessity of Congress being able to audit all the expenditures of Government. That is very definitely a Congressional function.

I think it will be entirely well to leave this off the record because the thing isn't suggested in here, but I would just as soon have Congress set up its own auditing office. I am not even insisting on appointing theAuditor General.

Q You mean on the post-audit?

THE PRESIDENT: Yes.

Q You are saying that you will not insist on the appointment of the Auditor General.

THE PRESIDENT: It is in here that I send his name because it is an easier way of getting some name before the Congress; they may not be able to agree themselves. Louis Brownlow says it is the only constitutional way.

Q Didn't President Wilson veto a bill to establish a Comptroller General without giving the appointment to the President himself? Would that apply in this case to the Auditor General?

THE PRESIDENT: Louis Brownlow says it would be unconstitutional. I don't know.

Q You would have that appointment then?

THE PRESIDENT: Yes.

Q Mr. President, if the duties of the General Accounting Office and the Comptroller General are changed in the manner suggested, would there be any continuing current check on Government expenditures or would that be left entirely to the judgment --

THE PRESIDENT: No. They have a provision in here that when a voucher is put in by a department for somebody's travelling expenses it would go over to the Accounting Office in the Treasury and they would see whether it conformed to the law or not. If they have any hesitation about it, if it is a legal case like that of the officer who got stranded in Manila, they would probably ask the opinion of the Attorney General, or anybody could raise the question, and the decision would go to the President. However,

if it was not a legal question, the voucher, once approved in the Treasury Department, would have to be countersigned under this plan by the office of the Bureau of the Budget. There is your check.

Q Would the result be that the duties that have been performed recently by the Comptroller General would go to the Attorney General or the Budget Bureau? In other words, which agency would become the last word?

THE PRESIDENT: Legal decisions would go to the Attorney General and the approval of current vouchers would go to the Treasury.

Q No more pre-audit then?

THE PRESIDENT: No, except as I said before you would have your pre-audit in the Treasury.

Q Wouldn't that result in a large part of the work of the Comptroller General's office being shifted to the Budget Bureau?

THE PRESIDENT: A large part of the pre-audit work would be, not the post-audit.

Q There was such a set-up as the First Auditor's or Second Auditor's office. Is this a return to that old system?

THE PRESIDENT: Not the same way. In the old days they had a special auditor for the Navy Department and there was one for each of the departments of the Government, one for the Interstate Commerce Commission and others. This centralizes the pre-audit work in one office.

Q Mr. President, wouldn't it take quite a while to catch up with an illegal payment once it was made under this system?

MR. BROWNLOW: Sometimes now the Comptroller General is as much as three years behind in the current audit. We hope that this will very greatly improve the accounting practice of the Government and would enable an audit to be made promptly to the Congress. The law requires the audit to be reported to the Congress but the Comptroller General's office has been in existence 15 years and no such audit has been reported to the Congress.

Q Would Congress have to correct an erroneous payment?

MR. BROWNLOW: In the business concerns where you call in Price Waterhouse or Haskins and Sells, you are not gunning exactly for that. The Treasury always has and probably always will in most instances catch

those things.

On the question of whether it would be quicker or not, I think it would be very much quicker and the Auditor General could have his men in the field auditing immediately after the transaction and he could report to the Secretary of the Treasury or it could go immediately to the staff of this Committee which is in constant session.

THE PRESIDENT: As a matter of fact, a great many vouchers are erroneously paid; the employee gets the money and then they have to put in a claim against him and it is deducted from his salary.

Q Wouldn't Congress have to act?

THE PRESIDENT: No, we would do it the same way we do it now.

Q What would happen in the case of what the Resettlement Administration did some time ago? They allocated money to the building of some factory and the Comptroller General's office decided it was illegal.

THE PRESIDENT: That would go to the Attorney General to decide whether it was illegal or not.

Q All opinions go to the Attorney General?

THE PRESIDENT: If there is any question of law. If it is

a question of law in any case where an issue is raised whether it can or cannot be done. I send over to the Attorney General about once a week a request from some department head for a rule and he makes a rule and it goes into the body of the Attorney General's rulings which comes out every year.

Q How would you answer the charge that it gives you too much power?

THE PRESIDENT: It doesn't give me any more power than I have today.

Q The Attorney General is your colleague and subordinate.

THE PRESIDENT: And up to 1921 there wasn't one single case in nearly a century and a half where the Attorney General failed to be recognized as the principal law officer of the Government to give decisions. It has been only in the last fifteen years and only in the Comptroller General's office that it has been otherwise.

Q He considered himself the Agent of Congress and that was the intent of Congress.

THE PRESIDENT: I will tell you what it comes down to. It comes down very nearly to the thing that hit me in 1929 in Albany. The Legislature passed an

appropriation bill that said, "Now, of the thirty million dollars out of this bill, you may not spend this money without the approval of two assemblymen and two state senators." I fought the thing through the courts up to the court of appeals and won in the court of appeals. This is very much the same thing. Once an appropriation is made by the Congress, it must be solely up to the Executive to spend it. He may do wrong and then you can impeach him or do anything, but it is his responsibility.

Q I am worrying about the political charge because as soon as this is received on the Hill, that is what they are going to say.

THE PRESIDENT: I don't think it gives me more power. It makes for good administration.

Q The Civil Service Administrator would be named by the President, to be selected from the Civil Service list. Would he change with administrations or would his term be indefinite?

MR. BROWNLOW: Our recommendation is that the President could dismiss him at any time.

Q What is the difference?

MR. BROWNLOW: He couldn't appoint the successor except after

a new examination or new list. He could not even take an eligible from the first list.

Q Who will pass on bids after this?

THE PRESIDENT: What kind of bids?

Q When bids are generally submitted, you turn them over to the Attorney General to see if they comply with the law.

THE PRESIDENT: Off hand they would go to the Treasury accounting office -- that is the pre-audit thing and, if there was any question of legality, they would ask the Attorney General for an opinion.

Q When may we expect your message? When will it be ready?

THE PRESIDENT: I am going to write it tonight.

Q Will we get it tomorrow?

THE PRESIDENT: Tomorrow, about the time the bill goes up. It will substantially follow this summary.

Q Will it be a long message?

THE PRESIDENT: It may be fairly long. There are four pages in this summary and it may run the same length.

Q After this job has been disposed of -- this particular reorganization bill -- may we assume there will be a commission to study economy and disposition of agencies?

THE PRESIDENT: Yes and, of course, suppose this bill were

to go through in May or June: obviously there is a considerable amount of study required before any determination is made about these various agencies. I should say it would take two years, or maybe three, to put this whole thing into effect and as it goes into effect, there will be certain things needed.

MR. STORM: Thank you, Mr. President.

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CONFIDENTIAL
Press Conference #337,
Executive Offices of the White House,
January 15, 1937, 10.45 A.M.

Q Do you think you can get a ticket (to your Inaugural)?

THE PRESIDENT: It is all very nice about this story of sending me a ticket. There was not any ticket enclosed. In that invitation to my Inaugural they did not enclose a ticket. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any news at all today.

Q Mr. President, can you tell us about any prospects of a new St. Lawrence Treaty, or whether any consideration has been given to including the Niagara Falls Power and Improvement work in it?

THE PRESIDENT: I read a story this morning and, of course, it is just one of those things. The story is a factual story that goes about ninety percent further than there is any justification for. What has happened is this: Perfectly informally we have been talking with the Canadian Government in regard to the possibility of discussing the question of the St. Lawrence. Now that, literally, is as far as we have got and there isn't another thing. It is the question of the St. Lawrence -- I am not referring to specific treaties -- and the question of the St. Lawrence, of course, includes any one of the treaties, such as the Great Lakes, and it includes the question of Niagara Falls. It is the whole thing. You can call it the area from the headlakes of (Lake) Superior -- from Duluth down to the Montreal tidewater. That is as far as anybody has got. I could not write anything more than that because there isn't anything more to say.

Q Then there is not likely to be any treaty submitted at this session of Congress?

THE PRESIDENT: I honestly haven't got any idea. In other words, we are talking about whether we will have conversations.

Q Have you decided whether or not the Government employees will have January twentieth as a holiday?

THE PRESIDENT: I think it is in the law.

Q Is it?

THE PRESIDENT: So they tell me.

MR. EARLY: In the District of Columbia.

Q Will you make the Maritime Commission appointment soon?

THE PRESIDENT: I don't know when. As soon as I can.

Q Do you care to say anything about the story that you are calling an economic conference with France and Great Britain?

THE PRESIDENT: Of course there is not a word of truth in it. I don't know how a thing like that gets started. Sir Walter Runciman is coming over here. He has been (planning to) come over here on a holiday -- I think the thing was planned two or three months ago -- and when he comes here he will come to see me. But he is over here on a holiday and he is coming to see me as a personal friend and that is all there is to it.

Q Can you tell us anything about your discussion with Secretary Morgenthau and the Chairman of the I.C.C. on railroad practice?

THE PRESIDENT: I do not think there is anything more than the Chairman told you when he went out. That is about all there was.

Q No decision?

THE PRESIDENT: Oh, no.

Q Mr. President, it has been suggested that the two new battleships may be named the MAINE and VERMONT? (Laughter)

THE PRESIDENT: Well, I will tell you a story if you won't attribute it to me -- if you will attribute it to some wholly outside source. Almost off the record -- I think it is a good columnist story. Freddie Hale (Senator Hale) -- of course I have known Freddie ever since we were boys. I startled the entire end of our table by saying that we have the most awful protocol question -- it was at the Speaker's Dinner -- and I said there was an Ambassador from Maine and there was a question of where he should be placed and which one should come first. (Laughter)

Q Would it then be legal to name the battleships MAINE and VERMONT?

THE PRESIDENT: Would it be legal?

Q Yes.

THE PRESIDENT: I do not know the status of it. I am inclined to think that battleships have to be named after states.

Q That was what I was referring to.

THE PRESIDENT: Nuff said.

Q Have you fixed a time when you will send the Mellon Art Museum to Congress?

THE PRESIDENT: I have not heard from the Attorney General and Mr. Mellon's representative. They have been working on it and I will send it up just as soon as I get their report. It may come any day now, I should think.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #338,
Executive Offices of the White House,
January 22, 1937, 10.35 A.M.

MR. GODWIN: (Referring to Inauguration Day Address) Did you have any ill effects? Did you get a cold?

THE PRESIDENT: Not a sign of one. Charlie (Michelson) got one.

Q Steve (Early) said that you wore out two silk hats.

Q That was about the all-time high of bad weather.

THE PRESIDENT: I think it was.

MR. DONALDSON: All in.

THE PRESIDENT: Well, judging by the looks of people, I should say you could take it, too. (Laughter)

Q Nothing but a little rain.

THE PRESIDENT: Yes. I don't think there is any particular news this morning. I am sending up a message early next week on natural rescurces -- I cannot tell you more about it at the present moment because I have forgotten whether it is water or drought. (Laughter)

Q Isn't it that conservation plan?

THE PRESIDENT: Yes. Otherwise I don't think there is anything at all.

Q Have you anything to say about this automobile strike situation as it developed overnight?

THE PRESIDENT: I have no further news than what you have got. Of course I think that, in the interests of peace, there come moments when statements, conversations and headlines are not in order. (Laughter) Therefore, having no news I don't think

I will say anything further.

Q Do you plan to intervene in the automobile strike?

THE PRESIDENT: I think I have already answered the question.

Q Did you read Mr. Lewis' statement?

THE PRESIDENT: I have already answered the question.

MR. EARLY: May that one sentence be directly quoted?

THE PRESIDENT: Yes.

(The President's answer, "Of course I think that, in the interests of peace, there come moments when statements, conversations and headlines are not in order," was read to the Press by the stenographer.)

Q That sentence may be quoted?

THE PRESIDENT: Yes.

Q Will you see the British member of the Board of Trade tomorrow or today?

THE PRESIDENT: No, Mr. Runciman is coming tomorrow. I think he is coming just after lunch and staying until Monday.

Q Mr. President, can you tell us anything about the possibility of building a Government auditorium here for such a day as last January twentieth?

THE PRESIDENT: Quite aside from this last January twentieth there have been quite a number of occasions that have shown the need of a larger auditorium in Washington. Do you remember the party when they had to have overflow meetings in Constitution Hall because there wasn't any place big enough to take care of all of them? We have talked about it for a long time. It is a very desirable thing for the Government to have one very large

auditorium in Washington.

On the other hand, it is a question of what comes first and, in the present condition of things, you can take, for example, the Army. The Army is today, I think, in twenty-two different buildings, most of them rented. Probably it is more important to house some of our people, Government workers, than it is to build an auditorium. If we had enough money to build both, I would be delighted to build both.

I am working at the present time on a plan, which is all a part of the general planning idea, that lists the needs of the Government in the way of buildings in the District of Columbia. It is a more or less informal report that would be sent to the Appropriations Committees of both Houses, the thought being that it would plan to spend a certain amount of money each year for perhaps ten years. I think there have been plans of that kind before. It was on the basis of such a plan that the Triangle buildings were built. Now we have come to a point where we need new plans.

Q Would the expenditure of that money come out of the five million dollars for general public works?

THE PRESIDENT: Yes.

Q Is there anything in the TVA situation about which you care to comment?

THE PRESIDENT: There isn't any news on that at all at the present time. That very informal committee is working on it and I will probably see them over the weekend or early next week.

Q There have been a good many rumors that Dr. Morgan (Dr. Arthur E.

Morgan) is going to resign.

THE PRESIDENT: I haven't heard anything except what I have read.

Q Wasn't there another committee appointed for the same thing?

THE PRESIDENT: That went out of existence.

Q Did they ever report?

THE PRESIDENT: Only informally. We were not ready at that time because it got through -- it passed one House and not the other.

Q Can you tell us whether you will join or support any legislation seeking a change of practice of the Supreme Court with respect to legislation?

THE PRESIDENT: That is a sort of "iffy" question.

Q I presume what you said about your program for public buildings supersedes everything that Secretary Ickes has said about it, the fact that it has been proposed as a Jefferson Memorial?

THE PRESIDENT: It does and it doesn't. Of course the Jefferson Memorial is in a different category because they have a Joint Committee on that. I cannot very well do more than refer to the fact that that Joint Committee is still in session.

Q Mr. President, will you make public the correspondence between the Treasury and the I.C.C. on taxes that passed through the White House?

THE PRESIDENT: I cannot tell you yet. There is only one letter so far, so it cannot be called "correspondence."

Q The other is on its way? (Laughter)

Q Have you selected any date or personnel yet for that conference about the courts that Senator Minton talked about?

THE PRESIDENT: There isn't any conference. Senator Minton is coming

down to confer with me. The Attorney General will come down but I suppose he will come down with a lot of other Senators.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #339,
Executive Offices of the White House,
January 26, 1937, 4.05 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: I think you have practically as much news on the strike as I have. We have been giving out the various things as fast as they have been coming in.

Q Do you mean the flood?

THE PRESIDENT: Yes.

Q You said the strike. (Laughter)

Q There must be something on your mind. (Laughter)

THE PRESIDENT: No, not yet; I am coming to the other thing.

Q What about the flood?

THE PRESIDENT: And on the Tennessee Valley (laughter) I have sent a letter to the various people concerned who are studying the transmission problem -- you will remember that. I said:

> "On September 17, 1936, I asked you, together with other representatives of the Government and private interests, to participate in a conference to explore the possibilities of joint use of power transmission facilities in the Tennessee Valley area. The preliminary fact-finding arranged for at that conference has been completed and the report is in my hands.
>
> "Since the conference of September thirtieth, a sweeping preliminary injunction has been issued against the Tennessee Valley Authority upon the application of nineteen utility companies, including certain companies who were parties to the conference. The securing of an injunction of this broad character, under the circumstances, precludes a joint transmission facility arrangement, and makes it advisable to discontinue these conferences."

That is that. In other words, there isn't any use in going ahead with the thing as long as we are enjoined. We have

the factual report of all of the power facilities.

Q Can you tell us anything about the report, what it shows, or anything like that?

THE PRESIDENT: Merely a factual report, no recommendation. It shows the amount of juice produced at every point and the amount transmitted on the different lines of transmission, the consumption in the various areas, the estimates made by the companies and by the Government on future consumption and the methods of distribution which are now in existence.

Now, we have all the facts and we will hold them.

Q Mr. President, will there be a further extension of the contract between TVA and the Commonwealth and Southern, which expires next week?

THE PRESIDENT: That, I think, is being taken up now. That is only one contract relating, I think, to only one place. This has nothing to do with that contract.

Q One question on that: I understand the president of the Commonwealth and Southern says that suit was pending at the time of your September conference and there have been no developments, really, to change the situation.

THE PRESIDENT: What did he say about the injunction?

Q He said the suit was pending and you did not require that they should withdraw the suit.

THE PRESIDENT: He would not have withdrawn it if I had required it. Obviously, the situation was somewhat changed by the sweeping character of the injunction.

Q Well, will Louis B. Wehle continue to function in the negotiations

as your representative?

THE PRESIDENT: He has not been my representative in the first place and, in the second place, I said it makes it advisable to discontinue these conferences. Otherwise you are all right. (Laughter)

On the visit of Mr. Runciman, I think he talked with the Press at the State Department and, as you know, the talks have been of a general character. Further talks will be necessary before it can be determined whether there is a suitable basis for trade negotiations and that leaves us as far as we have gone at the present time.

Q Do you expect to have similar conferences with Georges Bonnet, the French Ambassador, when he comes here?

THE PRESIDENT: Not that I know of. I think he is coming merely as the French Ambassador.

Q Anything about the strike or what will be done on it?

THE PRESIDENT: As you know, these conferences this afternoon related to labor legislation and labor legislation only was discussed with Harper Sibley and Bob Fleming and also with Mr. Ogburn and Mr. Green. Labor legislation was also the principal topic with the previous group, Mr. Hillman, Mr. Lewis, etc., although in that talk we did talk of the effects of labor legislation on this particular automobile strike. But that was only in general terms.

Then you will also want to know what I said during the course of the day and what I read in the paper this morning about the refusal of Mr. Sloan to come down tomorrow. I told

them I was not only disappointed in the refusal of Mr. Sloan to come down here but I regarded it as a very unfortunate decision on his part.

Q May we quote that?

THE PRESIDENT: Yes.

Q To whom did you tell that?

THE PRESIDENT: I think everybody today, including the Press.

Q Unfortunate for whom, Mr. Sloan? (Laughter)

Q You have not communicated directly with Sloan?

THE PRESIDENT: No.

Q What is the next step?

THE PRESIDENT: I don't know.

Q Mr. Sloan said if you invited him down here he would come. Do you plan to do that?

THE PRESIDENT: A representative of the President has asked him to come down here.

Q Mr. President, in connection with the discussion of labor legislation, was the Constitution discussed?

THE PRESIDENT: Yes, sure. (Laughter)

Q Why not? (Laughter)

Q Mr. President, what is the scope of the legislation, your objectives?

THE PRESIDENT: Well, we talked about a pretty wide scope, but we did not confine it exactly -- that is a little bit strong. We spoke chiefly about the problem of three things that I have talked about in several messages already this year, child labor and minimum wages and maximum hours. Of course those

dovetail into a good many other things, but those were the principal features we stressed.

Q Any discussion, Mr. President, of legislation, giving the Labor Department emergency powers of examination of records, etc., to handle situations of this kind in the future?

THE PRESIDENT: No, we did not discuss that today.

Q This legislation, has it taken form as yet? Will it be submitted to the Hill pretty soon?

THE PRESIDENT: Not yet but soon.

Q Is there any decision to broaden this legislation so that if either party to this controversy demands an election the Government can step in and bring about an election?

THE PRESIDENT: We did not discuss that at all. It hasn't anything to do with child labor or minimum wages or maximum hours. We did not treat that at all.

Q Did the Supreme Court dovetail into the discussion at all?

THE PRESIDENT: No.

Q Does your program for labor legislation depend on the Supreme Court decision on National Labor Relations Act?

THE PRESIDENT: No.

Q Have you heard from the nineteen Governors who wrote in regard to the child labor amendment?

THE PRESIDENT: I think we have replies from every one of them and from the smaller states the information I get is that it looks pretty favorable.

Q One has ratified in the meantime.

THE PRESIDENT: Kentucky has ratified.

Q I don't think that was one of the nineteen states, was it?

Q They had a special session. Your letter went out only to those having regular sessions.

THE PRESIDENT: I see.

Q In regard to the strike, is there any intention to renew the invitation to Mr. Sloan in a more emphatic manner?

THE PRESIDENT: I have not considered the matter any further.

Q Any subpoena power? You spoke perhaps as if you had, before today's conference, considered the necessity for such power.

THE PRESIDENT: No, I have not considered it at all.

Q Any possibility of legislation on the sitdown strikes?

THE PRESIDENT: No.

Q Did the discussion have any bearing on the shipping strike?

THE PRESIDENT: No, not at all.

Q Mr. President, incidentally, to the shipping strike, when are we going to get the Maritime Commission?

THE PRESIDENT: I hope soon. I ought to have a record to play on that.

Q You have never given me a definition of "soon." (Laughter)

Q Regarding your conversation with Runciman, you mentioned the trade subject. Did you mention any other subject that came up?

THE PRESIDENT: With whom?

Q Runciman.

THE PRESIDENT: No, that is all I mentioned. I might say we started, in our private conversations, on the North Pole and went clear to the South Pole and then started at longitude zero and went

clear around the world until we came into longitude zero, which is Greenwich.

Q Did they take in Fort Knox at any time?

THE PRESIDENT: Yes, and it took in not only gold but every known metal.

Q Were war debts encountered anywhere?

THE PRESIDENT: No, that was one topic that was not discussed because I understand when he landed in Boston somebody said "War debts" and he said, "God forbid." So I did not mention it. (Laughter)

Q Was your remark last Friday on the CIO properly construed as a rebuke?

THE PRESIDENT: Now, of course, I don't like to have to analyze what you boys write. If I once started I would get into some awful trouble. (Laughter)

Q So would we. (Laughter)

Q Mr. President, do you see any prospects at all, can you give us any possibility of daylight ahead on the strike in view of Mr. Sloan's refusal? Can you give us any idea of the next step ahead?

THE PRESIDENT: No, I cannot. I have a cheerful disposition; that is the only thing that is left.

Q Can you tell us anything on the flood situation? We heard from the heads today and from Mr. Early. I was wondering if you had anything?

THE PRESIDENT: No, the only thing I think is, without going into the details of the particular locality, that the emergency

certainly will not be over from the point of view of worst damage, worst destruction, worst danger to life from waters, for at least another forty-eight hours because a great deal of this water is still pretty high up on the Ohio River. As you know, up around Pittsburgh it has only just begun to recede an inch or two and that is the second crest they have had at Pittsburgh. Wheeling, in the last report I got, was still rising. Louisville is about stationary. Cincinnati has dropped three or four inches but that is not yet a final receding of the waters. So, for another forty-eight hours, we are still looking for a good deal of trouble from actual water and when we have got through with the final crest all the way down the Mississippi, then of course we face the second problem, which is cleaning up, and which is a very serious matter, both from the point of view of the work involved and also from the danger to life.

Q Is this flood going to give a stronger interest to more permanent flood control work in that area?

THE PRESIDENT: I would rather put it on a broader basis. We had an editorial this morning that pointed out that whenever we have a flood we have three or four different groups who rush to the Government to get money for this, that or the other thing. There are the people who are downstream, who want more and better levees, and then the next group that want dams in the rivers, and another group that wants to go up into the headwaters and plant trees, and another group that says it is entirely a question of soil erosion. So you get all these

different groups that say their own particular pet theory will stop the flood.

I have come to the conclusion that we have to pursue all of these things simultaneously. They all tie in in a general picture and, for the first time, we have in the last three or four years been developing a synchronized program to tie in the entire field of flood prevention and soil erosion. That is one reason why I hope, in the Reorganization Bill, we can have a Central Planning Authority, which will be responsible for, let us say in the case of all of the waters of the Mississippi, responsible for a plan which will cover all of the watersheds that go into the Mississippi. And then all the work that is being carried on will have some relationship to the work that is being carried on at some other point.

Q Did you discuss that with Secretary Wallace today, Mr. President?

THE PRESIDENT: Yes.

Q What do you think should be done this year towards flood control?

THE PRESIDENT: Go ahead with the program.

Q Mr. President, do you have the power to select the dams to be built this year? Will those be chosen soon?

THE PRESIDENT: Where?

Q On all the rivers.

THE PRESIDENT: No, I have not. That is all done in the law, in the specific appropriations for specific dams.

Q Some have to be started first and you are given the power to choose them.

THE PRESIDENT: I beg your pardon. You read that bill that went

through last year and you will find that every project was done, with the exception of TVA projects which will be carried out in accordance with the plan two years ago, which was submitted to the Congress. In other words, Congress knows what will be started in the TVA this year. I have no authority to choose any other dams.

Q Mr. President, I hope that I am wrong.

Q You will be. (Laughter)

THE PRESIDENT: Look it up and talk to me about it again because I don't think I have the authority to choose any dams.

Q I am sure you have.

THE PRESIDENT: Where? Let me know and I will start one. Will you check on it and let me know?

Q Mr. President, you have the power to give priority to projects to be selected under the Omnibus Bill.

THE PRESIDENT: Let us see. You are right on the appropriation for the New England and Upper Ohio that went through, within certain limits, but those limits are again dependent on the states getting together and getting the land for me and, so far, they have not got the land for me. In other words, the quicker they do it, the quicker the work will be started. You are right on that. I have the authority, but only after the states have the land for me, and I haven't any now.

Q In other words, that means that Pennsylvania goes up into New York and buys reservoir sites, and so on. Isn't that your situation?

THE PRESIDENT: In New England that is true.

Q It is true in Upper Ohio. Most of the headwaters would be in New York and they would derive no direct benefit, so they expect Pennsylvania to acquire those lands.

THE PRESIDENT: Yes. I don't know what happened in Ohio and New York but in the case of New England they have had that Commission which has been at work ever since I was there in the summer, and they have arrived at no conclusion. Connecticut is kicking now because Massachusetts and New Hampshire and Vermont have not come together. In other words, it is an illustration of this compact thing not working.

Q Another sitdown strike?

THE PRESIDENT: Yes.

Q Under the present status of things, would you care to urge the states to take early action to get that flood control program started?

THE PRESIDENT: I have been doing it ever since the bill passed.

Q Would you like to say something now?

THE PRESIDENT: I think you can gather enough from what I have said. (Laughter)

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #340,
Executive Offices of the White House,
January 29, 1937, 10.40 A.M.

(Senator Robinson was present at this conference.)

MR. DONALDSON: All in.

THE PRESIDENT: Following the line that we started the other day, the waters of the strike are receding -- (laughter).

Things seem to be continuing to improve on the Ohio and of course we have not got yet to the point on the lower River, from Cairo down, where we can make any more definite predictions than what I talked to you about the other day. The crest has not arrived on the Mississippi yet.

On Sunday Harry Hopkins, General Markham, Dr. Parran and Colonel Harrington, who is an Army engineer attached to WPA, are leaving for Memphis, to get there on Monday, and from Memphis they will go up the river, by boat, unless of course things are worse down below Memphis but they probably won't be at that time. They will stop at all important flood cities from Memphis north up the Ohio. The object is to plan, with the cities, the program of cleanup and sanitation, using, of course, the WPA, the Public Health Service, the Red Cross and all the various other Governmental agencies. They will be gone about a week.

I think that is about all I have got.

Q Anything on the strike, Mr. President?

THE PRESIDENT: No, not a thing.

Q Mr. President, last night or early this morning, before the final

agreement was reached on remaining points on the shipping strike, the Union leaders said that they were waiting on word from Washington.

THE PRESIDENT: I have not heard.

Q Anything new on a possible successor to Mr. Murphy at Manila as High Commissioner of the Philippines?

THE PRESIDENT: Nothing yet.

Q Is there anything to be said about the conference of the experts of the Treasury?

THE PRESIDENT: What is that?

Q There is a very mysterious conference supposed to be going on over there.

Q Did Mr. Morgenthau's visit here yesterday have anything to do with that?

THE PRESIDENT: Was he in yesterday?

Q He was in with Mr. Magill (Roswell Magill).

THE PRESIDENT: Just to introduce Mr. Magill.

Q Is that reported trip to Warm Springs still tentative?

THE PRESIDENT: That is necessarily so. It depends on how quiet things are on the Hill.

Q Harry Mitchell, President of the Civil Service Commission, called on you yesterday. Was there anything in that visit that you care to comment on?

THE PRESIDENT: No. We talked about the general problem of improving the Civil Service. We talked, for instance, about the -- one of our great difficulties at the present time is the present method of holding civil service examinations. We hold examinations for

some positions that a good many people can fill and we get sometimes as many as 200,000 people taking the examinations. As a result, we get an enormously long list of people who passed the examination and that list will last for three and four and five years, which does not seem to be a particularly good method. They are engaged in the study of the possibility of holding more frequent examinations and limiting them before the examination is taken so as to eliminate, before the examination is taken, the people who obviously would not pass.

Well, it is only in the study stage. In England, for instance, where probably their Civil Service is on a good deal sounder basis than ours, their examinations are held more frequently and are limited to people who are obviously qualified to take the examination. The methods we will use on that, I don't know, that is a matter for study, but the objective is to keep the list up to date.

Q Has anything been done to establish coast air bases under the Wilcox bill?

THE PRESIDENT: I don't know. I am afraid you have got me. I will have to look it up.

Q Is that civil service matter something that the Civil Service Commission can do itself?

THE PRESIDENT: That I don't know. It might call for legislation.

Q Are you familiar enough with it to know whether a person is eligible for appointment after passing for a period of two or three years? Don't they go off the list?

THE PRESIDENT: Oh, yes, some of our lists. One trouble we have

had was that in the setting up of one or two agencies, where civil service was required, like Social Security, we found in certain types of positions that the lists were four and five years old and that what might be called the cream of the list had been skimmed off and the only people left on the list were the people pretty well down at the bottom. Under the present method they do not have another examination until the old list is exhausted. So there comes a time, under the present method, when the quality of the people at the bottom of the list is pretty low and that is why we want to have examinations more frequently.

Q What can you tell us about the visit of members of the Business Advisory Council yesterday?

THE PRESIDENT: We talked about almost every known subject including hours and wages and labor, and so forth and so on. That again is merely in a study stage.

Q Any conclusions?

THE PRESIDENT: Oh, no. In other words, in these talks you cannot write a factual story for this reason: There will be a group coming in and talking to me and I, to bring out their thought, will say to them very often, "What do you think of this?" We will then discuss it on the basis of a question from me. My mind will be running along such and such a line and I will ask them, "What do you think?" Whereupon you people are perfectly apt to get something that is natural; when somebody comes out you will have that somebody say, "The President is considering such and such a thing." Well, I am considering it from the

point of bringing out what the other fellow thinks. It is not a conclusion.

As you all know, at the present time I am asking a lot of questions about minimum wages for labor and I am trying to bring out things. There is no conclusion reached.

Q Can you tell us your views along the line of neutrality after your talks yesterday?

THE PRESIDENT: On that you have the bill which I think was introduced by Senator Pittman. I have talked to him about it and to the State Department about it and there isn't anything more to be said about it because there again it is in what might be called the secondary study stage between the introducer of the bill and the State Department. The third stage will be when Senator Pittman talks with Senator Robinson and the other leaders in the Senate and the members of his own committee. There isn't anything new on it. They are still talking about Senator Pittman's bill.

Q Might your description as to its being in the secondary study stage be taken to mean that there is a good deal of difference between the State Department and the introducer of the bill?

THE PRESIDENT: I would say practically none. In other words, there might be changes in language, slight changes in language, which would not change the objective, the purpose of the bill.

Q In connection with flood rehabilitation, could you tell us how far it is planned to go in restoring private property?

THE PRESIDENT: Using all available Government agencies which would have to be used anyway. In other words, the CCC -- we are talk-

ing about man power -- the CCC, the CWA, those are the two principal sources of Government man power. The Government has to use those people anyway and therefore, in the cleaning up process, we would divert them temporarily from other work to the cleaning up. In some cases it will be only a few days and in other cases it will be several weeks.

The second step would be the use of Government supplies and expert technicians. That would be the Army supplies, seeing that the people have coal and various other supplies, like blankets and things, until people get back to their homes. We would also use the Public Health Service.

Then, the third factor, of course, relates to the helping of people as we did last year in the flood areas, people who need financial assistance to get back on their feet. There are two ways we can do that and did it last year. The first is through the Red Cross, which makes small loans to the fellow who needs $25 or $50 to get back into his house or to open up a little store. Then there are the larger sums which RFC provided last year under the special Act. In New England, Pennsylvania and New York it reached a total of eight million dollars of loans. However, we want to cut that down all we possibly can and we are asking all the banks in the flood areas to be as liberal as they possibly can in helping storekeepers who have lost their stock and things of that kind. Federal Housing will also probably take a part in that picture by their insurance of loans.

Q Mr. President, could you tell us anything about the considerations

that led to the commutation of sentences of Wilbur B. Foshay and Henry H. Henley?

THE PRESIDENT: The usual consideration of any commutation and the entire approval of the responsible people in both California and Minnesota. I talked with the Governors and the Senators and a number of Congressmen.

Q When is your natural resources message on water going up to the Capitol?

THE PRESIDENT: I have got three messages that I have been holding back from the Congress because you had so much news at the present time anyway.

Q Mr. President, what are you going to talk to Senator Robinson about?

THE PRESIDENT: Senator Robinson is here representing the Arkansas Traveler, I hope.

Q He is not eligible, that is a weekly. (Laughter)

THE PRESIDENT: He is here as the honorary guest of the White House Correspondents' Association. (Laughter)

Q One of the morning papers said today that you were going to have this wage and hour legislation ready to submit to Congress very shortly, perhaps next week.

THE PRESIDENT: No.

Q And also that it will include a definition by the Congress of "Interstate Commerce."

THE PRESIDENT: No, I won't have anything ready next week. We may begin to do a little more talking about the general objectives. That will come first. But when, I don't know.

Q Talking about the Interstate Commerce Commission, have you any appointments or reappointments?

THE PRESIDENT: I have Eastman coming in this morning.

Q Any of the three messages you are holding back have to do with foreign affairs?

THE PRESIDENT: No.

Q Have you given any consideration to the Seed Loan Bill, which I think is about ready to get to you?

THE PRESIDENT: I think it is very nearly ready to come to me.

Q You said something last year and I was wondering whether you were ready to say anything about it now?

THE PRESIDENT: I guess I have got to sign it.

Q Do you favor the signing of the Deficiency Bill, which forbids certain employment of personnel?

THE PRESIDENT: Of course I am bound by what Congress says about its own investigation but, on the other hand, there are two classes of employees. It brings up a simple question from the point of view of the Executive Department. The first is people from the relief rolls. Now, there is no reason, as long as they have to be taken care of anyway, why they should not be put on a project to assist people, if requested by the Committee. Those are people from the relief rolls. Then you come to the other phase of that: I have not talked this over with Joe (Robinson) -- he may murder me. The other phase relates to the use of the higher-paid, expert Government employees and in that case we have always, I think, as long as any of us have been alive, had the practice for the Executive Departments

to honor a request by a committee to lend expert Government personnel temporarily to that committee. There is no reason why we should not continue that practice as long as in the lending we do not disrupt the executive machinery. If we are asked for an unreasonable number of people from the Executive Departments to assist a legislative committee, we would have to go frankly to the Congress and say, "We are terribly sorry, but this will stop the work of this department or bureau. But as long as it is done within reason, there is no reason why the practice should not continue and it is entirely a matter for the discretion of the Senate and House whether this particular amendment passes. I, personally, would be very sorry to see any important investigation slowed up by drastic action coming in the middle of the investigation.

Q I wondered if you had expressed to Miss Perkins any approval of the subpoena power she has requested of Congress?

THE PRESIDENT: Well, I will have to talk to you for background or off the record. It can be background on that. I suppose the best thing I can do is to put it this way: This morning, when I woke up, I read two editorials on the question of the subpoena power in the Department of Labor. Now, this is all background so there is no offense meant to any one paper. The Post this morning has what I would call an exceedingly intelligent editorial. The Herald-Tribune has a completely stupid editorial. (Laughter) So, if you will read those two editorials side by side you will get the drift of it. Now, the situation is, as I see it, a comparatively simple one which, however, does require

study. In this particular case of subpoenas in industrial controversies -- I won't say "disputes," I will say "controversies" -- the law offers two methods. The National Labor Relations Board takes cognizance of industrial controversies in most cases after they have gone a pretty long way. Let us take two words to make the meaning more clear. The National Labor Relations Board is a "settlement board." Now, on the other hand, in the Department of Labor there is a very large service called the "Conciliation Service" and those two words ("settlement" and "conciliation") describe the two functions that the Government uses in labor controversies. The Labor Department, in most cases, gets into a controversy before the National Labor Relations Board takes over. The National Labor Relations Board does have the power to subpoena. The Conciliation Service does not. And this question that has been raised relates to extending the power of subpoena to the Conciliation Service, in other words, to the preliminaries of labor controversies before they have reached the stage of being formally before this quasi judicial body called the National Labor Relations Board. Therefore this question, and it is a fairly large question, has been submitted to the Congress for study. It is felt by a good many people, and I feel so also, that there are a good many conciliation cases where the Government ought to have some right to get at the facts in connection with the conciliation work that the Government is doing. I think that is the easiest way of putting it.

Q Getting back to the investigation question, what is going to

happen as a practical matter? First, the Senate is often inclined to starve its investigating committees and now the House comes along and says that they cannot borrow experts from the Government itself, and some of our best legislation, as you know, comes from these investigations.

THE PRESIDENT: I don't want to curtail the investigating powers by the House in any way. It is up to the House entirely on this particular clause in this particular bill.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #341,
Executive Offices of the White House,
February 2, 1937, 4.08 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: Charlie Michelson says there is no news.

Q Mr. President, I understand you are choosing draperies for the East Room?

THE PRESIDENT: I don't know; you will have to ask the engineer.

Q I thought it was the Fine Arts Commission?

THE PRESIDENT: No, it is the Army engineer. (Laughter)

Q Mr. President, can you tell us what will be done about the TVA contract with Commonwealth and Southern, which I think expires tomorrow?

THE PRESIDENT: I don't know. I have not heard a word, not a peep. All I know is that they are talking about it.

Q Are we likely to expect something at this end or the other end?

THE PRESIDENT: I have no report except that they are talking about it.

Q Is the study of the wage and hour legislation still in the non-factual category?

THE PRESIDENT: Yes, still is.

Q Did you receive a report from Mr. Roper's Advisory Committee on Industrial Relations?

THE PRESIDENT: I don't remember. I had two reports, one was on census and the other was on unemployment. I think those were the only two I have had.

Q Mr. President, have you had word on the report to be rendered by

this Committee headed by Mr. Jacob Baker?

THE PRESIDENT: Not yet. Steve (Early), will you see where that is sometime?

MR. EARLY: I saw a piece in the paper that they were still preparing it.

Q I gathered from the published report that it was ready to present.

THE PRESIDENT: It has not come in yet.

Q I saw some reports that there are a few Cabinet changes pending.

THE PRESIDENT: Oh, those started on the fifth of March, 1933 and have been going on ever since.

Q When will the unemployment census be taken up?

THE PRESIDENT: We are still talking about that.

Q Have you been making any progress?

THE PRESIDENT: No, but we are getting a little closer toward a meeting of the minds on it.

Q In connection with the hour and wages legislation, have you determined yet whether the fair trading practices will necessarily have to go in?

THE PRESIDENT: We have not discussed the fair trading practice end of it yet at all. We have just been discussing those questions of hours and wages and child labor.

Q Are they two separate matters?

THE PRESIDENT: That becomes a question, later on, of policy, if you put the other thing in too, whether it should go in the same legislation or a separate bill. That is a matter that depends a good deal on the state of legislation at that time. We have not discussed the fair trading practice end of it yet.

Q Anything to say on the automobile strike yet?

THE PRESIDENT: I have not had any news on that in twenty-four hours.

MR. YOUNG: Thank you, Mr. President.

THE PRESIDENT: I think it is a very dull day, everything all quiet. I will probably send up another message to Congress this week on the Great Plains Drought Report.

Q Mr. President, Senator Connally of Texas says, regarding the Argentine Sanitary Convention, that the state is in the same comatose condition it has been for the last year unless the President puts the heat on. Will you enlighten us whether you intend to put the heat on?

THE PRESIDENT: The way I feel about the thing is that we ought to tell the truth and a very good illustration would be if we were to put the shoe on the other foot. Suppose, for the sake of argument, that there was a plague of cattle ticks in the Southeast and foreign nations were to decline to take any American beef from the Northwest because of cattle ticks in the Southeast. You would have the same parallel case. That is rather hard for Tom Connally to laugh off.

Q Mr. President, do you favor having the Department of Justice seek an inditement against those connected with the Debs' column? That is the Eugene Debs' column of people that want to go over and take part, in some way, in the fight against Franco. And they have organized to fight a Eugene Victor Debs' column. Now there is a report that the Department of Justice is, in some way, seeking to indite those who

they think are involved in the formation of the column. Are you in favor of it.

THE PRESIDENT: I never heard of the column. That is another columnist. (Laughter)

Q He is thinking of the "sub-debs," of course. (Laughter)

Q He has been working on that pun for two days. (Laughter)

Q Anything to be said on Norman Davis' visit today?

THE PRESIDENT: No, just discussing everything all around the world, both ways, and, by the way, latitude are the stripes that go around the world from east to west and longitude are those that go around the world from north to south. Somebody the other day said something about latitude starting at Greenwich. I just thought that I would put your navigation straight.

Q What can the Federal Government do about this automobile strike question?

THE PRESIDENT: That is very "iffy." There isn't any news on that.

Q Have you arrived at any decision on the appointment of the new Under Secretary of State, sir?

THE PRESIDENT: No, has not been discussed.

Q Any further action been taken on the Maritime Commission?

THE PRESIDENT: No; that is, again, soon.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #342,
Executive Offices of the White House,
February 5, 1937, 10.55 A.M.

MR. DONALDSON: All in.

THE PRESIDENT: I have a somewhat important matter to take up with you today. And I am asking that this speech of today be held in very strict confidence until the speech is released in accordance with the wording of the release on the press copies that will be given to you in a few moments. It is also requested that nobody reveal what is said or the text of the material to any person outside of the employ, outside of those in your own organization, until the time of the release, until it is actually read in either the Senate or the House, whichever one reads it first. Copies will be given to you as you go out and don't anybody go out until that time. (Laughter)

Q We brought our lunches. (Laughter)

THE PRESIDENT: That is all right; I am glad you did.

As you know, for a long time the subject of constitutionality of laws has been discussed and for a good many months now I have been working with a small group in going into what I have thought of as the fundamentals of the subject rather than those particular details which make the headlines.

In this review of the Federal Judiciary we have come to the very definite conclusion that there is required the same reorganization of the Judiciary as has been recommended to this Congress in the case of the Executive branch of the Government.

As a part of it, I have received from the Attorney General

a letter which you will also get and which I will just touch the high spots of. It is a part of the message.

(Reading)

"My dear Mr. President:

> "Delay in the administration of justice is the outstanding defect of our federal judicial system. It has been a cause of concern to practically every one of my predecessors in office. It has exasperated the bench, the bar, the business community and the public."

He goes on and speaks of the fact that

> "The litigant conceives the judge as one promoting justice through the mechanism of the Courts. He assumes that the directing power of the judge is exercised over its officers from the time a case is filed with the clerk of the court. He is entitled to assume that the judge is pressing forward litigation in the full recognition of the principle that 'justice delayed is justice denied.' It is a mockery of justice to say to a person when he files suit, that he may receive a decision years later. Under a properly ordered system rights should be determined promptly. The course of litigation should be measured in months and not in years.
>
> "Yet in some jurisdictions, the delays in the administration of justice are so interminable that to institute suit is to embark on a life-long adventure.

(Laughter)

> "Many persons submit to acts of injustice rather than resort to the courts. Inability to secure a prompt judicial adjudication leads to improvident and unjust settlements. Moreover, the time factor is an open invitation to those who are disposed to institute unwarranted litigation or interpose unfounded defenses in the hope of forcing an adjustment which could not be secured upon the merits. This situation frequently results in extreme hardships. The small business man or the litigant of limited means labors under a grave and constantly increasing disadvantage

because of his inability to pay the price of justice.

"Statistical data --

very carefully collected from every district --

"indicate that in many districts a disheartening and unavoidable interval must elapse between the date that issue is joined in a pending case and the time when it can be reached for trial in due course. These computations do not take into account the delays that occur in the preliminary stages of litigation or the postponements after a case might normally be expected to be heard.

"The evil is a growing one. The business of the courts is continually increasing in volume, importance, and complexity. The average case load borne by each judge has grown nearly fifty percent since 1913, when the District Courts were first organized on their present basis. When the courts are working under such pressure it is inevitable that the character of their work must suffer.

"The number of new cases offset those that are disposed of, so that the Courts are unable to decrease the enormous back-log of undigested matters. More than fifty thousand pending cases (exclusive of bankruptcy proceedings) overhang the federal dockets - a constant menace to the orderly processes of justice. Whenever a single case requires a protracted trial, the routine business of the court is further neglected. It is an intolerable situation and we should make shift to amend it.

"Efforts have been made from time to time to alleviate some of the conditions that contribute to the slow rate of speed with which causes move through the Courts. The Congress has recently conferred on the Supreme Court the authority to prescribe rules of procedure after verdict in criminal cases and the power to adopt and promulgate uniform rules of practice for civil actions at law in the District Courts. It has provided terms of Court in certain places at

which federal Courts had not previously convened. A small number of judges have been added from time to time.

"Despite these commendable accomplishments, sufficient progress has not been made. Much remains to be done in developing procedure and administration, but this alone will not meet modern needs. The problem must be approached in a more comprehensive fashion, if the United States is to have a judicial system worthy of the nation.Reason and necessity require the appointment of a sufficient number of judges to handle the business of the federal Courts. These additional judges should be of a type and age which would warrant us in believing that they would vigorously attack their dockets, rather than permit their dockets to overwhelm them.

"The cost of additional personnel should not deter us. It must be borne in mind that the expense of maintaining the judicial system constitutes hardly three-tenths of one percent of the cost of maintaining the federal establishment. While the estimates for the current fiscal year aggregate over $23,000,000 for the maintenance of the legislative branch of the government, and over $2,100,000,000 for the permanent agencies of the executive branch, the estimated cost of maintaining the judiciary is only about $6,500,000. An increase in the judicial personnel, which I earnestly recommend, would result in a hardly perceptible percentage of increase in the total annual budget.

"This result should not be achieved, however, merely by creating new judicial positions in specific circuits or districts. The reform should be effectuated on the basis of a consistent system which would revitalize our whole judicial structure and assure the activity of judges at places where the accumulation of business is greatest. As congestion is a varying factor and cannot be foreseen, the system should be flexible and should permit the temporary assignment of judges to points where they appear to be most needed. The newly created personnel should constitute a mobile force, available for service in any part of the country at the assignment and direction of the Chief

> Justice. A functionary might well be created to be known as proctor, or by some other suitable title, to be appointed by the Supreme Court and to act under its direction, charged with the duty of continuously keeping informed as to the state of federal judicial business throughout the United States and of assisting the Chief Justice in assigning judges to pressure areas."

He then appends statistical information. The Attorney General then says,

> "The time has come when further legislation is essential."

The statistical information shows, for example, that while we have added judges since 1913, we have increased them from 92 to 154, the criminal and civil cases other than bankruptcy have increased from 25,000 to 75,000, the average number of cases filed per judge from 276 per judge to 484 per judge. It has nearly doubled. The number of bankruptcy proceedings have increased from 20,000 to 60,000.

The second table gives the case load in the courts. The cases filed and terminated show that over the past six years we have made practically no progress in cutting down the number of cases, this back-log of cases in the Federal courts.

The message itself is fairly long and has to be on a thing like this. I will try to do a little highspotting as I go through it.

(Reading)

> "I have recently called the attention of the Congress to the clear need for a comprehensive program to reorganize the administrative machinery of the Executive Branch of our Government. I now make a similar recommendation to

the Congress in regard to the Judicial Branch of the Government, in order that it also may function in accord with modern necessities.

"The Constitution provides that the President 'shall from time to time give to the Congress information of the State of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient.' No one else is given a similar mandate. It is therefore the duty of the President to advise the Congress in regard to the Judiciary whenever he deems such information or recommendation necessary.

"I address you for the further reason that the Constitution vests in the Congress direct responsibility in the creation of courts and judicial offices and in the formulation of rules of practice and procedure. It is, therefore, one of the definite duties of the Congress constantly to maintain the effective functioning of the Federal Judiciary.

"The Judiciary has often found itself handicapped by insufficient personnel with which to meet a growing and more complex business. It is true that the physical facilities of conducting the business of the courts have been greatly improved, in recent years, through the erection of suitable quarters, the provision of adequate libraries and the addition of subordinate court officers. But in many ways these are merely the trappings of judicial office. They play a minor part in the processes of justice.

"Since the earliest days of the Republic, the problem of the personnel of the courts has needed the attention of the Congress. For example, from the beginning, over repeated protests to President Washington, the Justices of the Supreme Court were required to 'ride Circuit' and, as Circuit Justices, to hold trials throughout the length and breadth of the land -- a practice which endured over a century."

And I might add that riding Circuit in those days meant riding on horseback. It might be called a pre-horse-and-buggy era. (Laughter) That is not in the message. (Laughter)

"In almost every decade since 1789, changes have been made by the Congress whereby the num-

bers of judges and the duties of judges in federal courts have been altered in one way or another. The Supreme Court was established with six members in 1789; it was reduced to five in 1801; it was increased to seven in 1807; it was increased to nine in 1837; it was increased to ten in 1863; it was reduced to seven in 1866; it was increased to nine in 1869."

This is all by statute.

"The simple fact is that today a new need for legislative action arises because the personnel of the Federal Judiciary is insufficient to meet the business before them. A growing body of our citizens complain of the complexities, the delays, and the expense of litigation in United States Courts."

I then mentioned the letter from the Attorney General.

"Delay in any court results in injustice."

Now we will take up the case of the lower courts showing delay:

"It makes lawsuits a luxury available only to the few who can afford them or who have property interests to protect which are sufficiently large to repay the cost. Poorer litigants are compelled to abandon valuable rights or to accept inadequate or unjust settlements because of sheer inability to finance or to await the end of a long litigation. Only by speeding up the processes of the law and thereby reducing their cost, can we eradicate the growing impression that the courts are chiefly a haven for the well-to-do."

Now we come to the next, the courts of appeal.

"Delays in the determination of appeals have the same effect. Moreover, if trials of original actions are expedited and existing accumulations of cases are reduced, the volume of work imposed on the Circuit Courts of Appeals will further increase."

Then we come to the highest court:

"The attainment of speedier justice in the courts below will enlarge the task of the Supreme Court itself. And still more work

would be added by the recommendation which I make later in this message for the quicker determination of constitutional questions by the highest court.

"Even at the present time the Supreme Court is laboring under a heavy burden. Its difficulties in this respect were superficially lightened some years ago by authorizing the court, in its discretion, to refuse to hear appeals in many classes of cases. This discretion was so freely exercised that in the last fiscal year, although 867 petitions for review were presented to the Supreme Court, it declined to hear 717 cases."

That is a tremendously important fact. As you know, any litigant seeking to appeal to the Supreme Court takes it there on certiorari. That is a certiorari process and out of 867 cases the Supreme Court last year turned down 717. It declined to hear them without an opinion.

"If petitions in behalf of the Government are excluded, it appears that the court permitted private litigants to prosecute appeals in only 108 cases out of 803 applications. Many of the refusals were doubtless warranted. But can it be said that full justice is achieved when a court is forced by the sheer necessity of keeping up with its business to decline, without even an explanation, to hear 87% of the cases presented to it by private litigants."

That is an amazing statement.

"It seems clear, therefore, that the necessity of relieving present congestion extends to the enlargement of the capacity of all the federal courts."

In other words, let us apply the same rule from top to bottom.

"A part of the problem of obtaining a sufficient number of judges to dispose of cases is the capacity of the judges themselves. This brings forward the question of aged or infirm judges -- a subject of delicacy and yet one which requires frank discussion.

"In the federal courts there are in all 237 life tenure permanent judgeships."

There are a very small number of judges who, when they die, their places are not to be filled. They are really temporary judges. But there are 237 of them.

> "Twenty-five of them are now held by judges over seventy years of age and eligible to leave the bench on full pay. Originally no pension or retirement allowance was provided by the Congress. When after eighty years of our national history --

That was in 1869 --

> "the Congress made provision for pensions, it found a well-entrenched tradition among judges to cling to their posts, in many instances far beyond their years of physical or mental capacity. Their salaries were small. As with other men, responsibilities and obligations accumulated. No alternative had been open to them except to attempt to perform the duties of their offices to the very edge of the grave."

I am talking about 1869. (Laughter)

> "In exceptional cases, of course, judges, like other men, retain to an advanced age full mental and physical vigor. Those not so fortunate are often unable to perceive their own infirmities. 'They seem to be tenacious of the appearance of adequacy.'"

That is a quotation from a very important justice. It is in quotes. You will have to find out who said it. I am not going to tell you.

> "The voluntary retirement law of 1869 provided, therefore, only a partial solution. That law, still in force, has not proved effective in inducing aged judges to retire on a pension.
>
> "This result had been foreseen in the debates when the measure was being considered. It was then proposed that when a judge refused to retire upon reaching the age of seventy, an additional judge should be appointed to assist in the work of the court. The proposal passed the House but was eliminated in the Senate.

"With the opening of the twentieth century, and the great increase of population and commerce, and the growth of a more complex type of litigation, similar proposals were introduced in the Congress. To meet the situation, in 1913, 1914, 1915 and 1916, the Attorneys General then in office --

I will end the suspense by saying that it was McReynolds and Gregory --

"recommended to the Congress that when a district or a circuit judge failed to retire at the age of seventy, an additional judge be appointed in order that the affairs of the court might be promptly and adequately discharged.

"In 1919 a law was finally passed providing that the President 'may' appoint additional district and circuit judges, but only upon a finding that the incumbent judge over seventy 'is unable to discharge efficiently all the duties of his office by reason of mental or physical disability of permanent character.' The discretionary and indefinite nature of this legislation has rendered it ineffective. No President should be asked to determine the ability or disability of any particular judge.

"The duty of a judge involves more than presiding or listening to testimony or arguments."

And I go on and talk about the complexity of the modern average case, that it has increased tremendously in the last twenty or twenty-five years.

"Modern complexities call also for a constant infusion of new blood in the courts, just as it is needed in executive functions of the Government and in private business. A lowered mental or physical vigor leads men to avoid an examination of complicated and changed conditions. Little by little, new facts become blurred through old glasses fitted, as it were, for the needs of another generation; older men, assuming that the scene is the same as it was in the past, cease to explore or inquire into the present or the future.

"We have recognized this truth in the civil service of the nation and of many states by compelling retirement on pay at the age of seventy. We have recognized it in the Army and Navy by retiring officers at the age of sixty-four. A number of states have recognized it by providing in their constitutions for compulsory retirement of aged judges.

"Life tenure of judges, assured by the Constitution, was designed to place the courts beyond temptations or influences which might impair their judgments: it was not intended to create a static judiciary. A constant and systematic addition of younger blood will vitalize the courts and better equip them to recognize and apply the essential concepts of justice in the light of the needs and the facts of an ever-changing world.

"It is obvious, therefore, from both reason and experience, that some provision must be adopted, which will operate automatically to supplement the work of older judges and accelerate the work of the court."

Now, some recommendations.

"I, therefore, earnestly recommend that the necessity of an increase in the number of judges be supplied by legislation providing for the appointment of additional judges in all federal courts, without exception, where there are incumbent judges of retirement age who do not choose to retire or to resign. If an elder judge is not in fact incapacitated, only good can come from the presence of an additional judge in the crowded state of the dockets; if the capacity of an elder judge is in fact impaired, the appointment of an additional judge is indispensable. This seems to be a truth which cannot be contradicted.

"I also recommend that the Congress provide machinery for taking care of sudden or long-standing congestion in the lower courts. The Supreme Court should be given power to appoint an administrative assistant who may be called a Proctor. He would be charged with the duty of watching the calendars and the business of all the courts in the federal system. The Chief Justice thereupon should be authorized to make a temporary assignment of

> any circuit or district judge hereafter appointed --

This would not apply to the members of the bench at the present time, only the new ones, --

> "in order that he may serve as long as needed in any circuit or district where the courts are in arrears.
>
> "I attach a carefully considered draft of a proposed bill, which, if enacted, would, I am confident, afford substantial relief. The proposed measure also contains a limit on the total number of judges who might thus be appointed and also a limit on the potential size of any one of our federal courts.

That bill, I might add, as I explained to the Chairmen of the Judiciary Committees of the House and Senate just now, is merely something for them to work on, as in any other case when any bill goes in. It is simply something for them to work on to save them trouble of trying to put the language together. (Laughter)

> "These proposals do not raise any issue of constitutional law."

Some of you may, perhaps, realize why I said what I did in my annual message of January fifth.

> "They do not suggest any form of compulsory retirement for incumbent judges. Indeed, those who have reached the retirement age, but desire to continue their judicial work, would be able to do so under less physical and mental strain and would be able to play a useful part in relieving the growing congestion in the business of our courts. Among them are men of eminence and great ability whose services the Government would be loath to lose. If, on the other hand, any judge eligible for retirement should feel that his court would suffer because of an increase in its membership, he may retire or resign under already existing provisions of law if he wishes so to do. In this connection let me say that the pending proposal to extend to the Justices

of the Supreme Court the same retirement privileges now available to other federal judges, has my entire approval." (Laughter)

You know what the situation is there. Any Circuit or District Judge may retire on full pay. A Supreme Court Judge can resign and get full pay. The only difference is that if he resigns and gets full pay, he is subject to changes in the income tax laws and things like that. This recommendation would put him on the same status as the judges in the other courts.

"One further matter requires immediate attention."

This is the other important one.

"We have witnessed the spectacle of conflicting decisions in both trial and appellate courts on the constitutionality of every form of important legislation."

This is concerned primarily with constitutional questions.

"Such a welter of uncomposed differences of judicial opinion has brought the law, the courts, and, indeed, the entire administration of justice dangerously near to disrepute.

"A federal statute is held legal by one judge in one district; it is simultaneously held illegal by another judge in another district. An act valid in one judicial circuit is invalid in another judicial circuit. Thus rights fully accorded to one group of citizens may be denied to others. As a practical matter this means that for periods running as long as one year or two years or three years -- until final determination can be made by the Supreme Court -- the law loses its most indispensable element -- equality.

"Moreover, during the long processes of preliminary motions, original trials, petitions for rehearings, appeals, reversals on technical grounds requiring re-trials, motions before the Supreme Court and the final hearing by the highest tribunal -- during all this time labor, industry, agriculture, commerce

and the Government itself go through an unconscionable period of uncertainty and embarrassment. And it is well to remember that during these long processes the normal operations of society and government are handicapped in many cases by differing and divided opinions in the lower courts and by the lack of any clear guide for the dispatch of business. Thereby our legal system is fast losing another essential of justice -- certainty.

"Finally, we find the processes of government itself brought to a complete stop from time to time by injunctions issued almost automatically, sometimes even without notice to the Government, and not infrequently in clear violation of the principle of equity that injunctions should be granted only in those rare cases of manifest illegality and irreparable damage against which the ordinary course of the law offers no protection. Statutes which the Congress enacts are set aside or suspended for long periods of time, even in cases to which the Government is not a party.

"In the uncertain state of the law, it is not difficult for the ingenious to devise novel reasons for attacking the validity of new legislation or its application. While these questions are laboriously brought to issue and debated through a series of courts, the Government must stand aside. It matters not that the Congress has enacted the law, that the Executive has signed it and that the administrative machinery is waiting to function. Government by injunction lays a heavy hand upon normal processes; and no important statute can take effect -- against any individual or organization with the means to employ lawyers and engage in wide-flung litigation -- until it has passed through the whole hierarchy of the courts. Thus the judiciary, by postponing the effective date of Acts of the Congress, is assuming an additional function and is coming more and more to constitute a scattered, loosely organized and slowly operating third house of the National Legislature.

"This state of affairs has come upon the nation gradually over a period of decades. In my annual message to this Congress I expressed some views and some hopes.

"Now, as an immediate step, I recommend that the Congress provide that no decision, injunction, judgment or decree on any constitutional question be promulgated by any federal court without previous and ample notice to the Attorney General and an opportunity for the United States to present evidence and be heard. This is to prevent court action on the constitutionality of Acts of the Congress in suits between private individuals, where the Government is not a party to the suit, without giving opportunity to the Government of the United States to defend the law of the land."

That sounds like common sense.

"I also earnestly recommend that in cases in which any court of first instance --

That is the District Court --

"determines a question of constitutionality, the Congress provide that there shall be a direct and immediate appeal to the Supreme Court, --

Not taking away any right of any lower court to pass on constitutionality, but it provides for an immediate appeal to the Supreme Court and that such cases --

"take precedence over all other matters pending in that court. Such legislation will, I am convinced, go far to alleviate the inequality, uncertainty and delay in the disposition of vital questions of constitutionality arising under our fundamental law.

"My desire is to strengthen the administration of justice and to make it a more effective servant of public need. In the American ideal of government the courts find an essential and constitutional place. In striving to fulfill that ideal, not only the judges but the Congress and the Executive as well, must do all in their power to bring the judicial organization and personnel to the high standards of usefulness which sound and efficient government and modern conditions require.

"This message has dealt with four present

needs:

> "First, to eliminate congestion of calendars and to make the judiciary as a whole less static by the constant and systematic addition of new blood to its personnel; --

That is the first need --

> "second, to make the judiciary more elastic by providing for temporary transfers of circuit and district judges to those places where federal courts are most in arrears; third, to furnish the Supreme Court practical assistance in supervising the conduct of business in the lower courts; fourth, to eliminate inequality, uncertainty and delay now existing in the determination of constitutional questions involving federal statutes.
>
> "If we increase the personnel of the federal courts so that cases may be promptly decided in the first instance, and may be given adequate and prompt hearing on all appeals; if we invigorate all the courts by the persistent infusion of new blood; if we grant to the Supreme Court further power and responsibility in maintaining the efficiency of the entire federal judiciary; and if we assure government participation in the speedier consideration and final determination of all constitutional questions, we shall go a long way toward our high objectives. If these measures achieve their aim, we may be relieved of the necessity of considering any fundamental changes in the powers of the courts or the constitution of our Government -- changes which involve consequences so far-reaching as to cause uncertainty as to the wisdom of such course."

The bill itself, so that you will get a practical idea of the bill, -- most of the bill is technical -- I will only go over the high lights:

> "When any judge of a court of the United States, appointed to hold his office during good behavior, has heretofore or hereafter attained the age of seventy years and has held a commission or commissions as judge of any such court or courts at least ten years, con-

> tinuously or otherwise, and within six months thereafter has neither resigned nor retired, --

In other words, when he gets to be seventy years and six months old and has neither resigned nor retired, --

> "the President, for each such judge who has not so resigned or retired, shall nominate, and by and with the advice and consent of the Senate, shall appoint one additional judge to the court to which the former is commissioned."

Is that clear?

> "The number of judges of any court shall be permanently increased by the number appointed thereto under the provisions of subsection (a) of this section. No more than fifty judges shall be appointed thereunder, nor shall any judge be so appointed if such appointment would result in (1) more than fifteen members of the Supreme Court of the United States, (2) more than two additional members so appointed to a circuit court of appeals, the Court of Claims, the United States Court of Customs and Patent Appeals, or the Customs Court, or (3) more than twice the number of judges now authorized to be appointed for any district or, in the case of judges appointed for more than one district, for any such group of districts."

Then Section 2 relates to assignments by the Chief Justice of any judge hereafter appointed to any other district or circuit.

The rest of the bill, that is Section 3, relates to the appointment of the Proctor, whose duty is to get information for the court in regard to the volume and status of litigation in all the courts of the United States, the need of assigning District Judges to congested areas or methods for expediting cases pending on the dockets. The Proctor, we suggest, should get a salary of $10,000 a year.

That is about all in the Act. The rest is technical.

And that is all the news.

Q Mr. President, will you deliver this message or read it in person?

THE PRESIDENT: It will be read in about half an hour.

Q Mr. President, this question is for background, but is this intended to take care of cases where the appointee has lost the mental capacity to resign? (Laughter)

THE PRESIDENT: That is all.

Q Was that the reason for the special Cabinet meeting?

THE PRESIDENT: Yes.

Q Can you tell us what the reaction was this morning?

THE PRESIDENT: I did exactly what I did here. As soon as I finished I came in here. There was no discussion.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #343
At the White House,

February 9, 1937 -- 4 P.M.

THE PRESIDENT: Nobody occupying Fred's chair.

Q Don't you think that the Dean should occupy it?

THE PRESIDENT: That's right! Go on, sit down! (Laughter)

Q Has he reached that age -- the retirement age?

DEAN YOUNG: They want me to sit down because of my height, not my age! (Laughter)

THE PRESIDENT: He doesn't know how to write sitting down. (More laughter) (Then, to the folks in the back of the room) We just made a decision in the front row; Fred Storm's chair being empty, we unanimously appointed Dean Young to occupy it.

I have a message going up tomorrow on sending up the drought report of the Great Plains Committee, which supplements the report that went up last week and ties in with the general situation in regard to floods and drought and public works in general, and also with the conference I had today and yesterday with Kentucky and Ohio Senators.

Q Mr. President, has anyone introduced an Arkansas Valley Authority Bill?

THE PRESIDENT: Oh, I think there have been bills last session and this for two or three dozen authorities. I

will tell you what we are talking about at the present time in regard to natural resources and public works. After looking at a dozen different schemes and examining into these individual bills for authorities like a Potomac River Authority, an Ohio River Authority, et cetera, we have come around to this point of view: I told this to the Senators this morning, that in the interest of orderly planning it seems best to set up perhaps eight regions -- not necessarily eight, it might be seven, nine, or ten, but eight regions, in a general way, seemed to cover the country without any one region having too large an area and at the same time avoiding too many small watersheds, and thereby keeping the overhead down.

Each of these regional authorities or administrations or whatever Congress wanted to call them, would have the task every year of submitting a list of projects for flood or drought or soil erosion or navigable channels or reforestation within their region, listing them in the order of preference.

After all the regional reports were in -- oh, say July or August -- we would add up the figures of their recommendation and, based on the condition of the Treasury -- in other words, a careful check-up by the Budget as part of the Budget Message -- determine how

much the President could recommend to the Congress for the Nation as a whole in his budget. Thereupon, under the reorganization plan the third agency under the President, the National Planning Agency, would get hold of these eight regional agencies and say to them, "The President can only approve so many dollars to go into his budget; therefore, will you all cut (of course it would be every year a cut) your recommendations down to fit into the total budget figure that is possible, and give us a list for each region of the things that would fit into the budget sum; then put down at the same time a B list of projects that you approve, that you have recommended, that are all ready to shoot on the following fiscal year."

The President thereupon submits both lists to Congress, the first list being within the budget, and the second list being what might be called alternative projects, leaving it to Congress to determine whether they want to go along with the original recommendation or lift anything out and put something else in -- wholly a matter of congressional discretion.

That makes for early planning and ties in all of these problems that are before us because of acts of God and man during the past few years -- drought, dust storms, floods; the control of floods by levees, reser-

voirs, and soil erosion control. They all tie into one general planning picture every single year -- that is the important part. I shall probably have a few more conferences with members of the House and Senate in regard to it with the hope we will get some kind of legislation. It is a procedure that costs comparatively little money.

Q What will be the cost, Mr. President?

THE PRESIDENT: The cost will be very low.

Q What will be the expenditure?

THE PRESIDENT: Approximately what is being spent now on national planning -- probably actually making a saving over what we are doing now on national planning because we have a dozen different agencies.

Q How much will be spent on projects?

THE PRESIDENT: That depends on what can go into the budget. It will come in under that $500,000,000 limitation that I talk about so often. That, of course, includes public buildings, highways, harbor work, and things of that kind.

Q These would be regional divisions, not corporate authorities?

THE PRESIDENT: They would be regional divisions. In working it out, possibly in some cases the regional divisions would also have administrative duties -- as,

for instance, in the case of the T.V.A. -- but in most instances they would be planning authorities.

Q When you talked to us about two years ago, when you used the phrase "reshaping the face of nature," you mentioned $500,000,000, but we did not understand that would include harbors.

THE PRESIDENT: Yes, all public works.

Q Would this new plan change the omnibus flood control bill enacted by Congress?

THE PRESIDENT: It ties in with it. As you know, that bill authorized all kinds of things -- about $300,000,000 worth. The taking up of those things depends each year upon the amount appropriated by Congress, and this fits right into that. It is possible that in the course of two or three years there may be coming from the planning division a recommendation that some of those projects rather hastily thrown together be eliminated and others put in their place.

Q Do you plan strict adherence to the principle established in that omnibus bill with reference to local contributions?

THE PRESIDENT: That's a headache. I will give you a very good illustration. Yesterday I approved a letter that the Secretary of War is going to send out.

We had those terrible floods up on the Connecticut River -- very serious, but didn't do as much damage as on the Ohio River; but they were front-page on the newspapers for two weeks, at least, and in New England longer than that. Congress appropriated $10,000,000 for immediate construction of reservoirs and things of that kind, conditioned on the four states involved -- Vermont, New Hampshire, Massachusetts, and Connecticut -- buying the land. The land cost was estimated at three and one-half million dollars, and the problem came, because most of the land was in Vermont and New Hampshire, as to how much Massachusetts and Connecticut would contribute. Vermont and New Hampshire didn't want to buy all the land for benefits that would accrue as far south as Hartford; so the state contract method was tried.

The first week in August we were trying to work out a prorata of the cost of that land. We are now nearing the middle of February and they haven't bought any land; so the $10,000,000 which we are ready to spend is held up. We are ready to go ahead. That is the question brought up last week. It is discretionary on my part. We will start the work as soon as we get the land. That method doesn't seem

to be working. That is as far as we have gone, except the Secretary of War is asking the governors of these four states whether they can get together, and they are sending up our engineers to assist the states.

Q What is the cure, Mr. President, for this headache you spoke of?

THE PRESIDENT: I don't know. It obviously seems clear that the states and the localities ought to bear some of the burden; but when you come down to the prorating of it, it is an awfully difficult problem. I hesitate very definitely involving the Federal Government in bearing the whole expense, because I think we should have some local contribution.

Q Some of these senators today said that power and reclamation would be tied in together.

THE PRESIDENT: It all ties in together. One dam may be a dam solely for reclamation; another dam may be for reclamation and navigation; another dam may be for navigation and power. It depends on the individual project.

Q Mr. President, would these regional administrations deal only with Federal projects, or would they also plan what the states and localities might do with Federal aid?

THE PRESIDENT: The message on drought has this sentence that goes up tomorrow: "All the different programs must be cooperative and will require complementary lines of action by the Federal Government, state governments, and all the states of the region." Don't use that in quotes, because the message has not gone to Congress yet.

Q What you are saying today can be used?

THE PRESIDENT: Yes.

Q Could you give us today's interpretation of the Walsh-Healey Act under which the Navy is struggling to buy some steel?

THE PRESIDENT: No; I have asked for a report on it. I know we are not getting steel.

Q One of your early messages had to do with the long-range view of the development of resources and the subject of unemployment; does this tie in with that idea so they could use unemployed in this kind of work?

THE PRESIDENT: Yes; the last report that went up on the water resources contained a very definite recommendation on that. With this planning organization we would do a certain amount of that every normal year. We would be ready, however, with surveys and plans in case of a year where we started to have a depression,

to increase the amount and thereby keep the purchasing power up by keeping unemployment from increasing.

Q Do you oppose the splitting of your judiciary reform bill into two measures?

THE PRESIDENT: You will have to read my message for the present.

Q Did you say you have asked for a report on the Walsh-Healey Act?

THE PRESIDENT: I have asked.

Q Did you give the senators who called today your views on reclamation expenditures outside the reclamation fund?

THE PRESIDENT: No, we talked about the general picture. We also did bring out in conversation this general thought which is useful, I think, from a national point of view: A lot of us people in the East have the feeling that we are spending an awful lot of money in the West, proportionately, on a population basis -- more than we are spending in the East. That is true; but, on the other hand, people in areas like the western Dakotas have to move. They can't find a livelihood where they are, and out in the West -- those states with a small population -- we can take care of a good deal bigger population than are out there at the present time. It costs

money to go; and that is where reclamation comes in. We can undoubtedly support twice or three times the population, if we plan for it, in those same states -- mountain states -- and I think it is money well spent, because it will give a place to those people to go who have to make a living.

Q Mr. President, will the regional administrators be Federal officials?

THE PRESIDENT: Yes.

Q Do you expect to appoint a successor to Morris Cooke on the Power Policy Committee?

THE PRESIDENT: No, I don't think so; I am not appointing anybody to succeed Morris Cooke; Morris is going on a well-deserved holiday.

Q He is coming back?

THE PRESIDENT: I think so.

Q "Achieving Greater Safety for Air Passengers": Can you tell us the result of your conference on that?

THE PRESIDENT: We had a very satisfactory talk. They gave me a list of things they had agreed on at that conference. Whether that is for release to the public I don't know. You will have to find out.

Q Can you tell us about the call of Governor Earle and Senator Guffey?

THE PRESIDENT: That related to the situation that has arisen because the constitution of the State did not allow Pennsylvania to do what most of the other states do, which is to pay for their relief problem by issuing bonds. Until Governor Earle came in they had been blocked on any bond issue, and also they had not increased the taxes at all to pay for relief, so they are up against it. During that period the State of Pennsylvania got much less in the form of public works assistance from the Federal Government than the other states did; so they made, I think, a rather justified plea that they should have some public works money to make up for what they lost during the previous administration in Pennsylvania.

Q It has been reported that you have been in touch at least once with the people in the automobile strike -- Mr. Lewis and Governor Murphy.

THE PRESIDENT: No, I didn't telephone to anybody yesterday.

Q Nor Sunday either?

THE PRESIDENT: I talked to Frank Murphy Saturday night. They seemed to be awfully close together, and I hoped they could bridge the gap.

Q Have you been in touch with anybody today?

THE PRESIDENT: No.

Q Have you expressed a desire for the time when you wish your Supreme Court legislation passed?

THE PRESIDENT: No.

Q Are you considering going on the air?

THE PRESIDENT: No.

Q If any additional appointments to the Supreme Court became necessary, would that increase in size already reported be a permanent one?

THE PRESIDENT: I think you will have to read the message and the proposed bill.

Q Mr. President, did you say anything about your conference on the St. Lawrence Seaway?

THE PRESIDENT: The only thing is they gave me a report on what the St. Lawrence-New York State Power Authority is doing and told me that they hoped very much that these unofficial preliminary conversations with Canada would proceed a little faster. They are proceeding; I don't know whether they are proceeding any faster or not.

Q When you speak about people moving west, does that point to a larger resettlement program or some further Government encouragement?

THE PRESIDENT: We do not have to start anything. If we have any reclamation projects where people can go out and get 40- or 50-acre farms, they will do it.

Q Is it possible for the State of Pennsylvania to get money under the existing circumstances?

THE PRESIDENT: Yes; if they have a P.W.A. list of projects and will confine their request for a grant approximately to the number of people they take off the relief rolls I think we can put it through.

Q Mr. President, is there any comment you can make about the report that the dockets are being cleared rather rapidly?

THE PRESIDENT: I haven't read it.

Thank you, Mr. President!

The Press Conference then adjourned.

CONFIDENTIAL
Press Conference #344,
Executive Offices of the White House,
February 12, 1937, 10.47 A.M.

THE PRESIDENT: As they used to say when we had a joint session of the Legislature in Albany twenty-five years ago, the old Lieutenant Governor would be there on the rostrum and in would come the Senate -- "The Senate will take their accustomed seats on the floor." (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any important news except that I am about to sign the Joint Resolution authorizing the President to invite the Pan-American republics and the Dominion of Canada to participate in the proposed Greater Texas-Pan-American Exposition. I think that is all.

Q Where is that to be held?

THE PRESIDENT: In Texas.

Q I mean, what point?

THE PRESIDENT: I don't know. I don't say that.

Q Have you received a report from the committee on farm tenancy?

THE PRESIDENT: Yes, there is going to be a message to Congress on that.

Q Have you signed Senator Robinson's resolution appointing a committee to study the location of an auditorium?

THE PRESIDENT: That has not come. Has it passed?

Q I think it is at the White House. Can you explain about that? There seems to be a bit of confusion after talking to the other members yesterday. They have no objection to the

auditorium.

THE PRESIDENT: I think that would be all right.

Q Get the auditorium first?

THE PRESIDENT: Oh -- (laughter) careful, Russ (Young), you are leading me on.

Q Can you explain where they are in your mind as to their importance?

THE PRESIDENT: That is what the committee is to give us a recommendation on. As a matter of fact, on the Thomas Jefferson one I always thought it was pretty clear that the Congress would want to have a specific and special memorial to Thomas Jefferson. Of course, if we want at some later date, if we have a nice auditorium here, to call it a Jefferson Memorial, that is so much to the good.

Q Can you tell us when the message will go up on the farm tenancy bill?

THE PRESIDENT: As soon as I write it. I will write it over the week end. I have two messages, crop insurance and farm tenancy.

Q What do you think of the strike settlement?

THE PRESIDENT: I am very, very happy that Governor Murphy did such a perfectly splendid job.

Q Would you like to give your comment to America on the sit-down strike in labor controversies?

THE PRESIDENT: No.

Q Can you tell us what the Senators have been telling you about your Judiciary reform bill?

THE PRESIDENT: You don't want to be here all day, do you? (Laughter)

Q Are you surprised at the reaction to your Judiciary bill?

THE PRESIDENT: It depends on which paper you read. (Laughter)

No, the only thing that I think it would be proper to talk about at this time -- of course, I naturally cannot talk and won't talk about current developments here or on the Hill, that is obvious -- but just as background for you and only as background, I think it might be useful to tell you that this particular message, which I think a week ago today took most people by surprise, dates back over about a year and a half, a little over a year and a half, in fact, since the NRA decision, because at that time it became perfectly clear that there were certain social economic things that had to be done in the nation and a sincere attempt was made by the Congress to carry out social economic legislation in the belief that the results could not be obtained merely by different state enactments, and that those subjects were not only national in their scope but were within the contemplation of the Constitution. From that time on most of you have written stories and everybody in Washington has had a happy thought, and the happy thoughts of what to do, starting after May, 1935, ran literally into the thousands.

This past summer -- going further back than that, for at least a year, there have been a lot of people sorting all those different suggestions and trying to formulate some practical way, in view of the decisions, of arriving at results that seemed not only necessary for the country but very much demanded by the country. Last spring those studies began to take rather definite

form.

The studies were continued during the summer and autumn. Right after the election -- I think I came back here the Friday after election -- I think it was within the next two or three days and before I left for South America, I asked two people to put down the result of these studies in black and white. The two people were the Attorney General and the Solicitor General and nobody else. When I got back from the South American cruise -- the easiest way of putting it is this: They had listed all of the suggestions that had been made over a period of a year and a half into several categories. The more we studied the categories between the fifteenth of December and about two weeks ago, the more we came to the conclusion that a process of elimination had to be applied on two grounds. The first ground was the question of time and, on the question of time, we eliminated consideration of constitutional amendments, particularly because there were so many different kinds of constitutional amendments that were possible that it would have been extremely difficult, even for people who had the same objective in mind, to arrive at an agreement on the actual language.

Then, on constitutional amendments, the second consideration was that not only in history but from the practical present day point of view it is not a very difficult trick, over a period of three or four years, to present ratification in thirteen states. It is a comparatively simple thing to do if there is thoroughly skilled and organized opposition directed at the point of least resistance.

Therefore, we came down to the other category, which was legislation. There again, a great many of the proposals that had been made were eliminated because of the fact that they were of doubtful constitutionality. Then, to use a simple example, the proposal for legislative action calling for a unanimous decision or an eight to two decision in the Supreme Court or a unanimous decision in a Circuit Court of Appeals, where there is more than one judge. In other words, going back to the fundamentals of the commonwealth, it is a great question as to whether any lawyers, no matter how much they may want very necessary and very immediate social and economic reforms, if they were on the Supreme Court themselves, as to whether they would hold constitutional a law providing for a unanimous decision or an eight to two decision or anything of that kind. In other words, they would go way back on the constitutional law and might very easily say, "What was in mind in 1787 in regard to a decision?" Obviously, there is the background of three or four hundred years of English common law, which was the only known body of precedents in 1787. From the days of Queen Elizabeth or Henry the Eighth, for all we know, the rule of the old English common law had been that the majority of a court could determine the action of that court.

So, by a process of elimination, we came down to an action which was of undoubted constitutionality.

At the same time, remembering all the progress of the studies during the past year, every approach to the problem of legislation and the constitutionality of laws brought in the

factor of other Federal courts besides the Supreme Court. It became more and more a question of the Federal Judiciary as a whole.

Well, that is the easiest way of putting the background of the origin of the message of a week ago. There was nothing mysterious about it. The three people who worked on it were the Attorney General, the Solicitor General and myself.

Q Was it a composite? It was not one man's idea?

THE PRESIDENT: No, it was a process of evolution, arrived at over a long period of time.

Q In your message, you said something about the danger of serious consequences that might result from an amendment.

THE PRESIDENT: No, I did not say so.

Q In the very last paragraph?

THE PRESIDENT: You had better get the paragraph. You haven't quoted quite right. You had better read it.

Q Is the plan for disposition of power at Bonneville Dam ready?

THE PRESIDENT: That will be ready after I have had a conference. The report of that special committee, the informal committee, I have got that on my desk and I am having down, maybe over the week end and maybe at the beginning of the week, the Senators and, I think, the members of the House also, from Washington, Oregon and Idaho in relation to the proposed legislation which is, in general, in line with Senator McNary's bill of last year. There are some differences, but not a great many, and the legislation proposed would tie in very nicely with any subsequent legislation in relation to the regional power

districts that I talked about the other day.

Q Have you received any information about the coast air bases?

MR. EARLY: Yes, sir, I have it.

THE PRESIDENT: Steve has it, I have not.

Q Senator George Norris told me yesterday that his State Supreme Court requires seven to two decisions. Does that have any relation to what you are talking about? His state court cannot declare a state law unconstitutional unless it is five out of seven.

THE PRESIDENT: Probably it is in the Constitution of Nebraska.

Q Yes, sir.

Q Does that have any bearing on the Supreme Court of the United States?

THE PRESIDENT: Only this: If it is constitutional in Nebraska, it is constitutional in Nebraska. It can be made constitutional with respect to the Supreme Court, but only by amendment.

Q Does the fact that you propose this plan for judiciary reform bar the way to the possibility of proposing a constitutional amendment later on?

THE PRESIDENT: Now you are getting a little bit into the "iffy" realm.

Q Have you designated or are you going to designate soon an Under Secretary of State?

THE PRESIDENT: I don't know.

Q Are you considering transfers, sir, among the diplomats abroad? We have a number of them in town now with rather wistful expressions. (Laughter)

THE PRESIDENT: The only trouble is that if I say "Yes" I am going to get deluged. Of course, actually at the end of a two or three year period with very few changes, it is obvious that there will be transfers and changes made. I have various papers in the basket making suggestions. Nothing further has been done. The Secretary of State is coming in in the course of the next week or two and we will work out quite a number of changes. I haven't any idea of what they will be.

Q Have you received from the Navy and Labor Departments the reports you requested on the Walsh-Healy Act?

THE PRESIDENT: Have I, Steve?

MR. EARLY: No, sir.

THE PRESIDENT: Not to my knowledge.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #345,
Executive Offices of the White House,
February 16, 1937, 4.10 P.M.

Q Mr. President, could we move Warm Springs up a little bit?

THE PRESIDENT: I think it is time to do something. As a matter of fact, I think it would be a fine idea to get off around the eighth of March. We will have a late spring here.

Q Did the Foundation buy the MacPherson Cottage? Maybe we can get that.

THE PRESIDENT: Yes, but they are having a bad time. They can only provide one cottage for the Press.

Q That is a fine cottage.

THE PRESIDENT: If they can use that one, but I don't know.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any news at all. Everything is very quiet and newsless.

Q Is there anything you can tell us about your conference today with former Governor McNutt?

THE PRESIDENT: We talked over old times. (Laughter)

Q Is there anything you can tell us about your conference today with Mr. Kent? (Mr. Fred I. Kent, of New York)

THE PRESIDENT: Which Mr. Kent?

Q Frank?

Q This is Fred, not Frank.

THE PRESIDENT: No, he talked about various things, including hot money. I told him to go over and see Henry Morgenthau and Eccles.

Q What did he have to say on the subject?

THE PRESIDENT: Well, he said it wasn't so. (Laughter) I said that is a question of fact, I did not know, I had never handled any of it. (Laughter)

Q Your reference to "hot" money, is that to the influx of foreign money?

THE PRESIDENT: Yes.

Q Secretary Morgenthau said we should look to you for a story.

THE PRESIDENT: I think they are going on with those conversations at the Treasury and the Federal Reserve Board for another week. Didn't he give you that impression?

Q He said something about a meeting tomorrow.

THE PRESIDENT: I don't think they have gotten anywhere.

Q Can you tell us what you would do?

THE PRESIDENT: That is something I cannot tell you yet.

Q Any reports on the Walsh-Healey Act?

THE PRESIDENT: Still working on it. Something about s-t-e-a-l and s-t-e-e-l. (Laughter)

Q Will you tell us something about what you and the Vice President were pounding the table so much last night where you were sitting?

THE PRESIDENT: It was one of his stories.

Q You were pretty serious.

Q Will you go on the air with respect to your judiciary program?

THE PRESIDENT: I have not any plans for the air at all.

At about every fourth conference I have to announce that the crop insurance report is going up pretty soon.

(At this point Mrs. Roosevelt came into the President's office, through Miss LeHand's office, and said, "Goodbye."

THE PRESIDENT: If you get stuck in a snowdrift, please telephone. Whereupon Mrs. Roosevelt said, "Thanks. I will telephone from the snowdrift," (laughter) and left the room.)

THE PRESIDENT: She would, too. (Laughter)

Q Mr. President, have you received your report from the committee that studied European cooperatives yet?

THE PRESIDENT: Not yet. It has not come in yet, has it, Steve?

MR. EARLY: No, sir; I have not seen it or heard of it arriving.

THE PRESIDENT: Crop insurance, I think, is going up on Thursday.

Q Governor Earle was down here again today in connection with PWA funds for Pennsylvania. Are you going to be able to do anything for him, sir, on the hospital angle of that or any other phases of it?

THE PRESIDENT: That I don't know. They are working on the list at the present time. They have quite a lot of projects. Didn't we talk about it the other day? Pennsylvania is way behind on the general list of PWA projects because they did not have the constitutional authority to go ahead until just recently, so we are going to do everything we can to help them out on it.

Q He said, sir, he would like an answer on that before Tuesday, when he is going to submit a budget. (Laughter)

THE PRESIDENT: I don't know. I have not heard from George (Governor Earle) since exactly a quarter before midnight last night when he called me up to tell me the result of the vote

in Harrisburg. He got me just as I was going to sleep.

It is a very dull day. It is going to be a quiet week, I think.

Q Where is Mrs. Roosevelt going, to Hyde Park?

THE PRESIDENT: No, she is going up to the Cornell Week. She does every year.

MR. YOUNG: Thank you, sir.

CONFIDENTIAL
Press Conference #346,
Executive Offices of the White House,
February 19, 1937, 10.50 A.M.

THE PRESIDENT: Subject to the regular release after it has actually been delivered to the Senate, and you cannot use it until then, I am withdrawing the nomination of Governor Winant for the Social Security Board and nominating Murray Latimer in his place, and Steve will have some letters for you outside about the time you get through. Governor Winant, I think, will be doing some very necessary personal things for a while and will be back in the Government service, I hope, fairly soon.

Q Same position, sir?

THE PRESIDENT: No; that is a difficult question. As you know, Murray Latimer has been head of the Railroad Retirement Board. They expect to have some news for the press, I think, in a few days, and I think it will be very good news. It is an agreement between the railroads and the Labor Brotherhood but I cannot tell you anything more about it than that. I don't think there is anything else.

Q Have you reached any solution of the appointment to fill the two vacancies on the Circuit bench in the Chicago district?

THE PRESIDENT: Not yet.

Q Are you familiar with the recommendations made by the University of Pittsburgh recently for the appointment of a fact finding commission to study public policy with reference to the pricing practices in the steel industry?

THE PRESIDENT: No.

Q It is considerably broader, of course, than the Walsh-Healey Act. It goes into the whole question.

THE PRESIDENT: Yes, but I have not heard of that. Who was it that sent it?

Q It was a published report, published by the Business Research of this University.

THE PRESIDENT: I did not see it. See if you can dig it up, Steve.

Q Is the Government considering reopening the Government wartime arsenal at Charleston?

THE PRESIDENT: Not that I know of. That was started as an armor plate plant when I was Assistant Secretary of the Navy, and it is a very excellent location so far as any kind of steel goes and has excellent buildings on it. Of course, during the ten or twelve years after the war a good part of the machinery was sold or scrapped. What is left is primarily armor plate machinery but if it were opened for any other purpose the plant would have to be rebuilt.

Q Was that plant, sir, ever equipped to make armor plate steel?

THE PRESIDENT: I don't think it was. As I remember it it was only armor plate. Whether the processes for making armor plate are the same as those for structural steel, I don't know. But it would have to be substantially rebuilt.

Q But the property is in possession of the Government?

THE PRESIDENT: You bet it is. People tried to buy it in the last two or three years but I never would sell it. I thought it was worth holding on to. There was a real estate development wanted

to buy it.

Q Will you tell us about your recent conference with various groups and Senators?

THE PRESIDENT: I don't think so.

Q Mr. President, do you care to discuss the possibility that we may match the new British program of construction?

THE PRESIDENT: I have not talked to anybody about it, literally nobody, except that I did talk to old Commodore Marvin McIntyre.

Q Did you and the Commodore reach any conclusions on the subject?

(Laughter)

THE PRESIDENT: Yes, we did. It is all right, they were very good conclusions.

Q In talking to Mr. Edison yesterday, many of us got the impression that they were facing a situation where they would have to stop work in the Navy Yards pretty soon.

THE PRESIDENT: Yes, we have to do something about getting steel in the next few weeks.

Q Do you know what it would be?

THE PRESIDENT: I don't know.

Q Would it be by legislation?

THE PRESIDENT: I don't know; we are still talking about it.

Q Do you favor the principle of the Walsh-Healey Bill?

THE PRESIDENT: I favor very, very distinctly the provisions for labor in the Walsh-Healey Bill. I would like to see them applied to industry all over the United States. If you will read the five provisions, A, B, C, D and E -- they are fine.

Q Mr. President, what are your plans regarding President Quezon, who will be here in a couple of days?

THE PRESIDENT: Well, we will have conferences here and at the State Department, and then we are having a luncheon in his honor -- I think it is the second or third of March.

Q Mr. President, anything to be said about conferences with Treasury experts on foreign security holdings?

THE PRESIDENT: No; they are still working on it.

Q Secretary Roper indicated yesterday that you were going to do something pretty soon about the Maritime Commission -- a permanent appointment?

THE PRESIDENT: I hope so. (Laughter) You will be right some day. It is all right.

Q I hope so.

Q Anything from Annapolis about your investigations of James L. Johnston, Jr., and his resignation?

THE PRESIDENT: I think there are quite a number that have been investigated, and not just one. There are quite a number. I suppose there will be a report on it today. In other words, it is merely a recheck to see whether there were any valid reasons for retaining any of the 135 youngsters from different classes who have not come up to standard on one or more counts.

Q Is that report coming to you?

THE PRESIDENT: Oh, yes; I will know about it. It does not come to me for approval because it is under a statute.

Q Is it made public?

THE PRESIDENT: There is no reason why it should not be made public,

as long as you include all of the 135.

Q Would you care to say anything about the increasing of the American naval program above our present program in relation to the new British program?

THE PRESIDENT: As I said, the only person I talked to, literally, is Commodore McIntyre, nobody else.

Q Can you tell us, perhaps in the abstract, to what extent you feel our naval construction program should be on account of what Great Britain is doing?

THE PRESIDENT: Based on adequate national defense.

MR. YOUNG: Thank you, Mr. President.

THE PRESIDENT: It is a very dull day. I don't see why we should not put the lid on over Saturday and Sunday. There may be some people coming down to see me tomorrow or Sunday but Steve (Early) will tell you.

CONFIDENTIAL
Press Conference #347,
Executive Offices of the White House,
February 23, 1937, 4.05 P.M.

THE PRESIDENT: I was just showing the Dean (Mr. Young) my bill which has just come in for 26,000 trees which are going to be planted next month.

Q Spruce trees, aren't they?

THE PRESIDENT: In other words, I am practising what I preach.

Q Are these the Christmas trees?

THE PRESIDENT: Yes. 23,000 Norway spruce, 2,000 balsam firs and 1,000 Douglas firs. That is experimental. That is an awful lot of trees.

Q Those are the ordinary Santa Claus trees?

THE PRESIDENT: Yes. They are on another ten acres of waste land. That is stopping erosion.

Q You did not tell us the amount of the bill.

THE PRESIDENT: $130.00.

Q Did you say, sir, whether they are to be planted in Georgia or in New York?

THE PRESIDENT: At Hyde Park.

Q $130.00 for all of them?

THE PRESIDENT: Yes, $5.00 a thousand.

Q Are they seedlings?

THE PRESIDENT: They call them three-year old transplants. In other words, they have been transplanted once already from the original bed.

Q Do you get them from the State Conservation Department?

THE PRESIDENT: Yes.

Q You had the others down at Valkill?

THE PRESIDENT: In back of the cottage, yes.

Outside of that I don't think there is any news at all.

Q Mr. President, can you tell us anything about the rumor, which I understand is going around, that Mr. Bullitt may return from Paris to become Under Secretary of State?

THE PRESIDENT: He is going to be here about eleven days and will then go back to Paris.

Q Very soon the terms of District Attorneys, Revenue Collectors expire. Are you going to reappoint them generally, or are they going to continue in office permanently?

THE PRESIDENT: I have not even talked to anybody about it. They begin expiring the end of March, don't they? I mean, their terms begin to expire? (Laughter)

Q I realize you know how it is that your name is misused during the four years you have experienced it. Have you any comment on the C. I. O. use of your name in soliciting members?

THE PRESIDENT: The only way I can talk about that is off the record and "off the record" means, of course, confidential. Don't make a face at me, it is true.

Naturally, I never heard of this thing at all. I still do not know who they were referring to. They may have been referring to their own president and they may have been referring to me. I don't know who they are referring to. It means if I say anything for the record that somebody will not write a negative story but an affirmative story. They will say, "The

President repudiates" or words to that effect. Now how in blazes can I repudiate something that I don't know whether I was the fellow referred to? Therefore it has got to be off the record. I cannot say anything one way or the other. All I know is what I read in the papers. Of course nothing came from here.

Q There was an interview with the man who was supposed to be responsible for that the other day and he said they assumed that that was all right in view of your advocacy of the Wagner Labor Relations Act and the general stand on labor.

THE PRESIDENT: Well, there are a lot of people, including writers, who assume things. The only thing that is absolutely safe and absolutely sure is to quote from messages I have written or things I have publicly said. That is a pretty safe rule.

Q Mr. President, are you planning to send to Congress soon a message embracing your views on maximum hours and minimum wages legislation?

THE PRESIDENT: No, it is still in the study stage and probably will be for some time longer.

Q The appropriation for the Central Statistical Board was cut out of the independent offices bill. Was that done with your approval?

THE PRESIDENT: We are trying to get it back as soon as we can.

You know the reason we started the Central Statistical Board: All through 1933 and for some time into 1934, before we got the machinery going, it was a perfectly easy thing for anybody to go and get the Federal Reserve Board statistics on something

and compare them with the Comptroller of Currency's statistics or compare them with the Treasury Department statistics and then write a story that the Government figures did not tally, which was perfectly true. In the same way, you could go to the Department of Agriculture and get their statistics and go to the Department of Labor and get theirs, and the things did not tally. The Government was telling six or eight different kinds of stories in a statistical way. At that time there was no coordination whatsoever. I would go ahead and be given a memorandum in the morning from perfectly good statistics, which I assumed were all right, and you boys would come in in the afternoon and I would hand these statistics to you and base what I said on that and the next day some other department would make a liar out of me.

So what we did was to set up a central agency to see to it that if two departments did disagree on their figures that they would be put into a room and told to agree. We did not tell them how to agree. The only thing we did was to tell them that we did have to have the Government departments and the various agencies saying the same thing, saying whatever they thought was the right thing as long as they were not saying two or three different things. Hence the Central Statistical Board. However, in that work, when they find two different departments or agencies that have reached figures that do not jibe with each other because they have been made -- because the figures have been made on different forms of research -- on different formula -- the Central Statistical Board has to do some research into the two different

formulas that have been used in order to give an intelligent answer to the different departments in trying to get them to use the same formula. That is the principal cost of the Central Statistical Board, doing research in order to standardize the formulae of the different agencies of the Government.

Q How do you account for it being cut out?

THE PRESIDENT: I don't know what happened.

Q Have you seen the report on consumer cooperatives?

THE PRESIDENT: Where is that, Steve?

MR. EARLY: I have not seen it.

THE PRESIDENT: I think it has come in. You mean the trip last summer?

Q Yes, sir.

THE PRESIDENT: It did come in and I sent it somewhere; where, I do not know.

MR. EARLY: There were some things you wanted checked up.

Q Is the Warm Springs trip still being considered definitely?

THE PRESIDENT: It looks now as if I will get off to Warm Springs. The exact date I do not know because I am talking with Budget and Harry Hopkins about the estimate for the 1938 relief appropriation and I am not -- what I would like to do would be to make the preliminary studies of it before I go so that it can be put into shape and be ready for me to transmit to the Congress when I come back from Warm Springs. That process will take about ten or twelve days and I want to do the preliminary work before I leave. I would say, offhand, that we will get away between the eighth and the twelfth of March.

Q Will that include the stop-offs in Charleston and Augusta?

THE PRESIDENT: I don't know. If I have to defer things, I doubt very much if I can make the stop-offs because I have already got appointments for Warm Springs which cannot be changed.

Q Anything new on the Walsh-Healey controversy?

THE PRESIDENT: I have not heard a peep for three days.

Q Do you plan any further conferences with Mr. McGrady or possibly Mr. Lewis?

THE PRESIDENT: No. They were going to come back and talk to me about the Navy steel problem whenever they were ready and they have not asked to come in yet.

Q With respect to your discussions with Mr. Bell and Mr. Hopkins, can you give us any information of the size of the 1938 relief figures?

THE PRESIDENT: No, not yet. We haven't gotten to it.

Q Have you and Senator Wagner agreed on the low cost housing bill?

THE PRESIDENT: We have got things at the present time in what might be called the final study stage.

Q Have you the Maritime Commission to the final study stage?

(Laughter)

THE PRESIDENT: S-o-o-n. (Spelling the word out)

Q Have you given any consideration to the new food and drug bill?

THE PRESIDENT: No. I have been studying the bill that has gone in.

Q What do you think of it?

THE PRESIDENT: The first impression is that it weakens the District law of thirty-two years ago instead of strengthening it.

Q Do you expect to make any recommendation about it?

THE PRESIDENT: You know, sometimes I adopt a pernicious practice of tearing down instead of building up. It is very rare on my part.

Q Can you tell us anything regarding Mr. Bullitt's speech in Paris yesterday?

THE PRESIDENT: I have not seen it.

Q I merely wanted to ask you if the speech is important. It is alleged that the speech was drafted, read to you on the telephone, sent to the State Department textually and then delivered. I would like to have your point of view.

THE PRESIDENT: It never came to me and, off the record, I have not even read it in the newspapers.

Q It is not in the papers. (Laughter)

THE PRESIDENT: Here is today's mail. I don't think it has even been sent over to me. I am sure it is not. (Examining papers) This is (indicating) about something else. That is about Spain.

Q What about it? (Laughter)

THE PRESIDENT: I have not got it at all. They may have it in the State Department.

Q Is Mr. Bullitt returning this week at your request?

THE PRESIDENT: Yes and no. (Laughter) In other words, when he went over he said he thought it would be a good thing to come back and give a report sometime in February or March and he suggested a month ago that he thought it would be a good thing to come back toward the end of February and the State Department said, "Come along." That is all there is. There is no specific reason for his coming over.

Q Is there any specific reason for Mr. Dodd coming over?

THE PRESIDENT: I did not know he was. Is he?

Q I don't know. (Laughter)

Q He is just fishing. (Laughter)

THE PRESIDENT: Well, the answer to that is, Why is a mouse when it spins? Well, the higher the fewer, or other things like that. That is a gem. It is all right.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #348,
Executive Offices of the White House,
February 26, 1937, 10.35 A.M.

MR. DONALDSON: All in.

THE PRESIDENT: I think that about the only news is that there is a message going up today transmitting -- this is to be held for release until it gets there -- transmitting the Panama Canal Tolls and Vessel Measurement Committee report. That is the Committee which was appointed under the provisions of the Act of April 13, 1936. It is pretty technical. Some of you will want to read it and some of you won't.

Q Will the report be available with the message?

MR. EARLY: It will be available over there. We haven't any copies.

THE PRESIDENT: We haven't any copies -- just the originals. This thing that Steve will give you has got three provisions for amending of existing legislation at the end. There are three short paragraphs.

Q Do you favor coal legislation this year?

THE PRESIDENT: I think we have to do something about coal.

Q Have you seen that bill? Have you looked at it?

THE PRESIDENT: No.

Q You favor the subject generally?

THE PRESIDENT: Very decidedly.

Q Are you considering making a radio speech on your court program before you go to Warm Springs?

THE PRESIDENT: I think I will. I was talking to Steve about it last night. The usual fireside talk on the general state of

the Nation.

Q Including the court?

THE PRESIDENT: Usual broadcast on the state of the Nation.

It will include a great many things, as usual.

Don't get yourselves out on limbs. I think Steve got the ninth of March for it, at 10.30 P.M. Columbia, National, Mutual -- I don't know what else. Usual thing.

Q Half hour, sir?

THE PRESIDENT: Yes.

Q Can you tell us anything new on the Navy steel situation following your discussion?

THE PRESIDENT: I haven't heard anything this morning.

I didn't hear anything until yesterday morning when Charlie Edison came in and talked to me about it. There was no news then and I don't know any now.

Q Do you think this new Wagner Housing Bill will do the job of providing low cost housing?

THE PRESIDENT: Still in conference on it.

Q Will you sign the bill on the railway pension tax? I understand it is to be signed today or tomorrow.

MR. EARLY: Not to my knowledge.

THE PRESIDENT: I think it came in but you had better check. I don't know.

Q On housing, the bill has been introduced. Will conferences now relate as to whether the bill should be pushed?

THE PRESIDENT: Oh, no. We have to have housing legislation. We certainly all want housing legislation at this session. They

are still talking about it and I suppose there will be hearings on it, too.

Q You say they are still talking about it?

THE PRESIDENT: Congress -- and they are asking opinions from different Government departments.

Q Have you given any consideration to reviving that old housing committee you had last year?

THE PRESIDENT: No. They are appearing individually, which is practically the same thing.

Q Statements are being printed that radical changes are being made in your plans to reorganize the Executive Branch of the Government. Is that true?

THE PRESIDENT: I haven't the faintest idea.

I haven't discussed it with anybody for three weeks, I think.

Q To return to that fireside talk. You say we will be going out on a limb if we write stories that you may discuss the Supreme Court?

THE PRESIDENT: Not if you write the story that I am going to discuss a good many problems that will affect the state of the Nation. What the talk will be I haven't any idea at the present time, because I haven't written it yet.

Q Is that the day that the Senate Judiciary Committee hearings begin on the Court Reorganization Bill?

THE PRESIDENT: I don't know. Is it?

Q I understand so.

THE PRESIDENT: I guess Steve will have to change the date. (Laughter)

Well, that date was set -- off the record -- with the idea of

getting down to Warm Springs -- doing it the last minute just before we go down. I hope to go the next day.

Q Anything on Louis Brownlow's administration report?

THE PRESIDENT: That is what Russell (Mr. Young) just was asking about. I haven't talked about it for three weeks.

Q The last two weeks there have been several allocations of PWA funds for various states. Does that indicate a change?

THE PRESIDENT: The only allocations made, I understand, were in the two cases we talked about before, Pennsylvania and Louisiana, and two or three comparatively small projects that had been promised two years ago and we were morally bound to put them through. They were schoolhouses in Texas and some kind of a college in North Carolina. They were just one or two things we felt morally obliged to go through with.

Q No change in policy?

THE PRESIDENT: No change.

Q Have you received a protest from New London, Connecticut, demanding that the Federal Government compel the Electric Boat Company --

THE PRESIDENT: (interposing) Not that I know of.

Q -- to negotiate with strikers?

THE PRESIDENT: Mac, (Mr. McIntyre) have you seen it?

MR. McINTYRE: No, sir.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #349,
Executive Offices of the White House,
March 2, 1937, 4.05 P.M.

THE PRESIDENT: I don't think there is any news at all. I have been looking at charts of the Texas coast to see where the tarpon run.

Q What season do they run?

THE PRESIDENT: End of April is a very good season.

Q Where will you make your base on that trip -- for Mr. McIntyre?

THE PRESIDENT: At sea. Oh, for Mac? I haven't thought of that. I wouldn't trust him in New Orleans. (Laughter)

Q Not if we went along?

THE PRESIDENT: No; that would make it worse.

Q Is that definite?

THE PRESIDENT: No, that is just a hope.

Q What boat would you use?

THE PRESIDENT: Something that draws very little water because it is shallow all along.

Q How about the Potomac?

THE PRESIDENT: Maybe, if she can get there.

Q Are you expecting to go to New Orleans?

THE PRESIDENT: I hope to go via New Orleans. Maybe we will drop Mac off there but I don't know.

Q Sounds good.

Q Last Sunday morning there appeared in the New York Times a story --

THE PRESIDENT: Fred (Mr. Essary) is getting good now.

Q Wait until I finish my question. (Laughter)

That story appeared to be either inspired or authorized and if it is in order I would like to know, sir, whether it was either authorized or inspired.

THE PRESIDENT: Fred, off the record, Steve has laid his head on the block and so do I. It won't happen again.

Q That helps some, sir.

THE PRESIDENT: I think that was the first offense in years.

Q I rather thought so; that is why it was a little shocking.

Q Have you decided on the Under Secretary of State, Mr. President?

THE PRESIDENT: Not yet.

Q Or on any of the other vacant diplomatic posts?

THE PRESIDENT: No. We are getting on pretty well. We have talked about it today and are continuing our conversations and I think over the next week or two there will be some announcement regarding the whole list.

Q How about the Maritime Commission? Tomorrow?

THE PRESIDENT: No; we are getting warm though.

Q Before you go?

THE PRESIDENT: I hope so. That is a real honest-to-God hope.

Q Has any decision been reached on the CCC program?

THE PRESIDENT: No. I was talking that over with the Steering Committee of the House this morning and pointing out to them that I would like to enlarge the CCC, as they suggested, to another hundred thousand boys, making it four hundred thousand instead of three hundred thousand, but that I could not think of it primarily in terms of boys; unfortunately I have got to think of it in terms of dollars. When we made up the budget

we figured that if we are to come to a reasonable prospect of a balance in the fiscal year 1938 we couldn't spend more than three hundred million dollars for the CCC in that year. Incidentally, that number of three hundred thousand seems to be pretty close to the figure that will take up all the applicants for CCC from the relief rolls or applicants from families that are on the relief rolls. Of course it does mean that some of the camps now in existence will have to close down, but what we are trying to do is only to close those camps where the work as originally planned has been completed. I say "as originally planned" because, of course, once you get a camp in a place, you plan for two or three years of work but when that work is done it is very easy to find another two or three years of work in the same spot. Well, two very good examples of that are the two camps near where I live, one in Staatsburg, New York, where they are working on the State Park, and the other one down in Georgia, that works on the Pine Mountain, and in both of those cases the original work of those camps has been substantially completed. There are a great many others -- several hundred of them.

Q Have you still got the one in Warm Springs?

THE PRESIDENT: That is in the same category.

Q It is a good camp.

Q That inspired story that appeared on Sunday made some mention of your desire to find a method to enforce contracts between capital and labor. I wonder if you could outline how you

propose to accomplish that.

THE PRESIDENT: I think that would take too long a time and I haven't really worked it out for this occasion.

Q The NRA report you sent to the Hill today, will that be followed in the future by any more specific recommendations for legislation?

THE PRESIDENT: Well, that brings up that big general subject. I think you can assume that I hope that something will happen in this session.

And by the way, just between us boys and girls, let us try something new for the rest of this year. You know, you invented the word -- I didn't -- "must" legislation, and I have kicked for four years about that "must" legislation. Well, since that Spring of 1933 Session, there has never been any "must" legislation. Why don't you help me out by using a new word -- "ought" legislation. I think it is a more accurate description.

Q Senator Reynolds was in to see you yesterday regarding securing an additional allotment regarding the Smoky Mountain Park. Are you able to give us anything?

THE PRESIDENT: He told me something I had never heard of so I sent out to find out about it.

Q Has there been any way found of giving Mayor Kelly his forty million dollars for digging subways?

THE PRESIDENT: I think he is trying to find out how many relief workers he can put to work if we build them.

Q Is it possible to get the money without matching it?

THE PRESIDENT: Oh, no.

In other words, you know the general story about PWA money at the present time -- that the grant could reach as high as 45% of the total cost of the project provided that 45% represented people taken off the relief rolls and put to work.

Q But it must be matched?

THE PRESIDENT: Oh, yes.

Q Is the message on relief for the next fiscal year coming out pretty soon now?

THE PRESIDENT: Soon after I get back from Warm Springs. I would say around the end of March.

Q Coming back to the subway. Philadelphia has some. What are our chances?

THE PRESIDENT: Same problem; New York ought to get one too. In other words, I don't think we will make any different rule for subways. They fall under the general category or principle of schoolhouses or highways or anything else. It is a question of the amount of labor that we can take off relief rolls.

Q Don't the circumstances under which you authorized the loans to Pennsylvania somewhat alter the PWA program?

THE PRESIDENT: Yes. I don't know of this particular Philadelphia thing. I never heard of it before but if it comes under the general program for the State under this rule of trying to equalize the Pennsylvania situation because of their constitutional problems, why it is all right -- as long as it falls under that exception rule for Pennsylvania and Louisiana.

Q Do you care to comment on the telegram of the six Governors on relief?

THE PRESIDENT: They are coming down to lunch with me on Saturday.

Q Mr. President, the CIO - United States Steel negotiations opened yesterday. In that connection, has there been any report or any hope for early settlement on the Walsh-Healey difficulties?

THE PRESIDENT: I haven't heard a thing about it since I read the papers this morning. I haven't heard anything from the Navy Department or Labor on it. I hope it will.

Q Mr. President, is there any connection between Myron C. Taylor's visit at the White House a couple of months ago and the introduction of the forty-hour week in the steel industry?

THE PRESIDENT: No; not any more than the fact that Myron Taylor and I, whenever we see each other, talk about general problems affecting national welfare.

Q Can you tell us about housing at all in view of your conference with Senator Wagner? Can you give us any idea of how the housing program is coming along?

THE PRESIDENT: When they came in this morning I sent them all into the Cabinet Room to talk over with the Treasury the problem of financing housing. I told them not to come out until they had reached an agreement. They may be still there.

Q They came out but hadn't reached an agreement. (Laughter)

Q Can you tell us anything about your conference with Lieutenant Governor Price of Virginia?

THE PRESIDENT: No. Just had a nice visit.

Q On this subway business, Mayor Kelly's program also includes

elevated speedways and highways. Would that be confined -- if he can show employment of the relief labor, would that be confined to WPA or would it be possible for a direct grant of PWA?

THE PRESIDENT: No, it would have to be matched; if it comes out of PWA funds it would have to be matched.

Q Is there a possibility of a grant or allocation from Works Progress for such work?

THE PRESIDENT: We are trying not to scramble the two together because it confuses the whole thing. If you do, you get away from the principle not to exceed 45% from the PWA. You see, the PWA fund is intended to help out municipalities that have good public works of their own to do and that have difficulty in financing them, and with this grant it enables them to carry through a lot of things that otherwise they couldn't do. It is really a distinct thing from WPA.

Q Can you tell us anything about taxing to finance the Wagner housing program?

THE PRESIDENT: That is about that same thing we were talking about. What was the question?

Q Are any new taxes contemplated to finance the Wagner Housing Bill?

THE PRESIDENT: No. They were talking about that this morning but haven't reported yet. There are a dozen different ways of doing it.

Q Do you contemplate legislation along the lines of the British Trade Union Act for the control of industrial disputes?

THE PRESIDENT: I don't know; that is a pretty broad question. Of course we are, naturally, trying to keep in touch with what other nations and states have done in regard to working out legislation for industrial disputes. That is about as far as one can go.

Q Mr. President, can you tell us if in the talks with President Quezon the question of shortening the Commonwealth period has come up?

THE PRESIDENT: No.

Q Can you give us any idea of what lies behind these conversations?

THE PRESIDENT: The chief thing relates to trade between the Philippines and the United States and with President Quezon I only had a general discussion about the economic relations between the Philippines and the United States. We didn't get down to details at all.

Q Mr. President, can you straighten out for us the apparent conflict between the Cuban Trade Agreement and your proposal for a 75¢ excise tax on sugar?

THE PRESIDENT: I didn't know it did. But when it comes to a question on sugar I find myself very quickly out of depth. You had better ask the Secretary of Agriculture or the Secretary of State. I don't know.

Q The London papers print the report today that one of your sons, apparently James Roosevelt, is going to the coronation of the British King as a member of the delegation.

THE PRESIDENT: That is a very happy thought. That is news to him and to me.

Q Strike while the iron is hot. (Laughter)

Q In connection with the sweeping reorganization of White House lunches and dinners -- breakfasts and luncheons -- the United Press would like to know what you had for breakfast and luncheon today? (Laughter)

THE PRESIDENT: Has the United Press descended to that?

Q They telephoned to me and asked me.

THE PRESIDENT: If all the Press Associations would get together and have a conference with the cook you might get a daily bill-of-fare.

Q I think that is fine but she won't talk, Mr. President. (Laughter)

MR. OLIVER: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #350,
Executive Offices of the White House,
March 5, 1937, 10.55 A.M.

THE PRESIDENT: I don't think there is any news. Mr. Mackenzie King is getting here this afternoon at tea time and spending the evening with me, also the night at the White House. We are having dinner alone together and we are going to sit on the sofa and talk until we both just want to go to bed.

Q Talk about the St. Lawrence Waterway Treaty?

THE PRESIDENT: Talk about everything; all kinds of things -- world affairs.

Q Will he stay longer than tonight?

THE PRESIDENT: No, he is leaving tomorrow morning. He is going to the Canadian Legation tomorrow. I don't know when he is actually leaving Washington.

Q Mr. President, is that (indicating piles of telegrams) your fan mail?

THE PRESIDENT: That is part of it; Steve brought them in.

Q Tell us what it is like.

THE PRESIDENT: I haven't looked at it. Steve says it is running about eight to one. I was wrong; seven out of eight are favorable.

Q Favorable to what?

THE PRESIDENT: To what I said last night.

Q The morning comment on your speech -- the question was raised as to when the Court had prevented --

THE PRESIDENT: (Interposing) Well, offhand, read the opinion of

Judge Cox -- wasn't it Cox? -- in the TVA case. Whatever his name was --

Q We are talking about the lower courts.

THE PRESIDENT: What was his name?

Q Gore?

THE PRESIDENT: That's right; Gore.

Q Mr. President, during your present Philippine discussions, do you anticipate that the political as well as the economic phases will come up?

THE PRESIDENT: I don't know. We haven't had any political questions come up so far. I have seen President Quezon twice; once we lunched here, and we didn't take it up, and the other time was a formal luncheon and we didn't discuss it there.

Everything is quiet. We might as well put the lid on.

We haven't any news except Mackenzie King.

Q How about these Governors tomorrow?

THE PRESIDENT: That is right; you will have to stand by for that.

Q Has that list of Governors grown since the other day?

THE PRESIDENT: No.

Q Any likelihood of the Maritime Commission being appointed?

THE PRESIDENT: Probably just before I leave.

Q Mr. President, will you tell us what you intend to take up in speaking to the Canadian Prime Minister?

THE PRESIDENT: Everything. Going to talk about North, Central and South America and all the other continents.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference No. 351,
Executive Offices of the White House,
March 10, 1937, 4.05 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: I think it ought to be clearly understood that I am going off on this trip, not because I want to go or need to go but I am doing it solely at the request of the White House Correspondents' Association. They say they are run ragged. It is all right, I am always doing what I am told to do.

Q How about Commodore McIntyre?

THE PRESIDENT: Outside of that I don't think there is any news at all.

Q The term of Mr. Prall as Chairman of the Communications Commission expires today. I think you have to designate a Chairman.

THE PRESIDENT: I have designated him for one year more.

Q Have you given any thought to a successor of Judge Molyneaux of the Eighth Circuit, who resigned several weeks ago on account of old age? (Laughter)

That is true. (Laughter)

THE PRESIDENT: Which is the Eighth Circuit?

Q I think he is away up in the seventies. (Laughter) Oh, you mean the Eighth Circuit?

THE PRESIDENT: Yes, which is the Eighth Circuit, what state?

Q Minneapolis, I think he succeeded Judge Bell. Whatever that territory is.

THE PRESIDENT: I don't know. I have a vague recollection of a vacancy out there but I don't know.

Q Do you care to say anything about the veto of the Child Labor amendment by the New York Assembly?

THE PRESIDENT: I deeply regret it. That is all I can say.

Q Mr. President, do you think the Pittman Neutrality Bill gives you sufficient discretion to keep the country out of war?

THE PRESIDENT: I don't think I ought to discuss that bill because it has not yet come up in the House. We have to wait and see what the House does, whether they will pass that bill or their own bill. In other words, it is still in the legislative process. I think I shall have to wait until it gets beyond that process.

Q On neutrality in general, some people still raise the point that none of the bills prevent a large amount of trade to develop, which some experts think might draw us into war anyway, even if it is on a cash basis. What is your comment on that?

THE PRESIDENT: Except that we are getting very distinctly into the guessworks stage if we do comment on it.

Q Anything you can tell us about your visit with Mackenzie King or, rather, his visit with you?

THE PRESIDENT: No, we talked all around the world.

Q Did you discuss the St. Lawrence Waterway?

THE PRESIDENT: Yes, we talked about that and the thing is still in the -- what did I call it before? -- it is still in the preliminary study stage.

Q Does that apply also to the so-called "new approach" we have been

discussing?

THE PRESIDENT: New approach to what?

Q After the Treaty had been turned down there was some talk of a new approach to it?

THE PRESIDENT: That is pretty vague. Of course, in taking the thing up, there are a great many different angles and there may be some new angles; you can't tell.

Q I would like to ask you this question, first, if I may: Are you tying up the question of power or beautification of Niagara Falls, or the question of final disposal of questions with respect to Niagara Falls in the St. Lawrence Treaty, if a new one is reached?

THE PRESIDENT: I think you can fairly assume that the problem of Niagara Falls is one of the subjects under preliminary study.

Q Would the scope of the St. Lawrence Treaty include Passamaquoddy?

THE PRESIDENT: No. (Laughter) Well, it might, but actually we did not discuss it the other night.

Q Is there any possibility of the negotiations being completed in time to submit the Treaty at this session of Congress?

THE PRESIDENT: That I could not tell you yet; I do not know.

Q Did you discuss the Ottawa Trade Agreement with Mr. King?

THE PRESIDENT: Only in a very casual way. We did not go into it at all. I think he talked to the Secretary of State about that.

Q How about the Western Hemisphere business?

THE PRESIDENT: That was one of the things we discussed -- business around the world.

Q Anything else said about it?

THE PRESIDENT: No.

Q Did you examine both the Pittman and McReynolds bills?

THE PRESIDENT: Only in general form when they were introduced.

I have not looked at them since that.

Q Are you making any changes in the office of the Secretary of War?

THE PRESIDENT: Not that I know of.

Q To return to your Warm Springs trip, can you tell us who will be in your party?

THE PRESIDENT: I do not know. Of course Mac, and possibly Jimmy. The usual crowd.

Q Mr. President, have you made any further plans for your Texas trip?

THE PRESIDENT: I have been studying the charts a little bit more and am checking up on distances. Away back in 1928 -- this is off the record -- when Mac and Steve and I and Louis Howe were at the Houston convention, Houston was what might be called a somewhat arid place and one night they were asking about it and they were told that under the Texas law the jurisdiction of the state of Texas extended only to the low water mark and that somebody, taking advantage of that, had built a pier out into the Gulf of Mexico about half a mile. One night they put me to bed in Houston and disappeared in a high-powered automobile, Louis and Steve and Mac, and they got back in the small hours of the morning, having been to Galveston. Now Mac has suddenly discovered that he wants to go back to Galveston the end of April and the first week of May and show you the place.

Q Have they still got the pier? (Laughter)

THE PRESIDENT: I don't know. So you see how these things come about. He decided that New Orleans was somewhat hackneyed and wanted to try Galveston.

Q That means that the base for Mac will be at Galveston instead of New Orleans?

THE PRESIDENT: That means you will have the base on the pier — I mean on the Gulf. (Laughter)

Q I have been asked to ask you just where Chief Justice Hughes wrote that quotation that you used from him last night.

THE PRESIDENT: I could not tell you offhand; I will have to check up on it. If you want, I will get somebody to do it.

Q Any decision on Diplomatic appointments?

THE PRESIDENT: No. I think you will get some pretty soon. There have been some decisions but, as usual, as you know, we have to ask for the agrement.

Q Do you contemplate calling a disarmament conference as was suggested in the House during the passage of the Navy Bill?

THE PRESIDENT: No; that was a Herald-Tribune story.

Q How about the New York Times story some time ago?

THE PRESIDENT: That was a long time ago; that was about a year ago.

Q How about that one?

THE PRESIDENT: It was about a year ago.

Q Is there to be a message on long range relief policy?

THE PRESIDENT: I imagine so -- Oh, on the long range? I don't know. I don't know how long the range will be. It will be

one year anyway. I imagine it will go up with the estimates, certainly not before the first of April, in the first ten days of April.

I have been so awfully busy getting speeches ready the last week that I have not done a thing about it and I am not going to at Warm Springs.

Q Have you arrived at any estimate of the amount?

THE PRESIDENT: No.

Q What was the nature of the agreement France recently sought through our Treasury Department in respect to fiscal affairs?

THE PRESIDENT: I think that was all given out. I think you got all those facts.

Q Some information was given out with respect to it. I was wondering if it was complete?

THE PRESIDENT: I could not tell you because I did not see it. I knew the fact, that is all.

Q Have you decided on an Under Secretary of State?

THE PRESIDENT: No, not yet.

Q Do you think you will have any nomination tomorrow, before you go?

THE PRESIDENT: I do not believe so. By the way, I appointed the Maritime Commission.

Q Have you anything on the District Attorneys and Collectors whose terms expire next month?

THE PRESIDENT: No, I have not got around to that at all. Everything is quiet otherwise.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #352
Warm Springs Foundation, Warm Springs, Ga.
March 17, 1937, 12:15 P. M.

(The Conference was held in front of the press cottage, the President remaining seated in his car.)

Q This is going to be a slum clearance project. (Laughter)

THE PRESIDENT: This is pretty comfortable, isn't it?

Q Fine accommodations.

THE PRESIDENT: I hear you have an attendant apiece; a valet for each one of you.

Q It takes two for some. (Laughter)

Q We do our own cooking.

THE PRESIDENT: I take it things are going all right; even Mac (Mr. McIntyre) hasn't had a complaint in the last five days.

Q Senator Robinson was heard the other day from Washington advocating your plan for the Court but indicating also that there should be an amendment to the Constitution. Can you tell us anything about that?

THE PRESIDENT: No, because I haven't seen what he said.

Q Can you tell us anything of your conversations with Ambassador Bullitt on the international situation? Or what points you have discussed?

THE PRESIDENT: This is off the record. You couldn't print it if I did tell you.

Q As a minor detail, have you discussed the proposition to establish a school for diplomacy, a sort of West Point for the Foreign Service in Washington?

THE PRESIDENT: Yes, we talked about the possibility of that. You know, Wes Disney has a bill?

Q The bill calling for a five million dollar appropriation?

THE PRESIDENT: A proposal for training people for all kinds of Government service.

Q I didn't know it was all-embracing.

THE PRESIDENT: I think his bill is pretty all-inclusive and, of course, what we were talking about beginning a year ago was the possibility of a school more limited than that for the different types of foreign service -- commercial, agricultural and diplomatic.

Q There was a story in the New York Times Sunday saying that the United States was watching developments abroad for an opportune time to introduce the American peace plan.

THE PRESIDENT: I haven't read it.

Q Several of us got an inquiry from Binghamton about building of those arch dams in upper New York. They suddenly think you changed your policy, that instead of allowing the CCC to build them, the work has stopped and the Army Engineers are doing it?

THE PRESIDENT: I can tell you from recollection that both the Army Engineers and the CCC people thought it will be a great deal cheaper and quicker to have it done by the Army -- both cheaper and quicker, and I think about two weeks ago they decided to have the Army do it directly instead of CCC.

Q That would be under contract?

THE PRESIDENT: Yes.

Q Are you going up to Pine Mountain?

THE PRESIDENT: Just as soon as it warms up.

Q Are you really going to take a swim today? (Note: The Press had had the President swimming virtually every day, which was not the fact.)

THE PRESIDENT: Yes, I really am going to take a swim today.

Q It will be your fourth swim. (Laughter)

MR. McINTYRE: I told them you crossed them again this morning. They have been talking about a sty. Stick your head out and show them you haven't one.

THE PRESIDENT: It is all gone.

Q How is the farm?

THE PRESIDENT: It is all right.

Q How are "Tug" and"Hop"? (Referring to mules on the President's farm.)

THE PRESIDENT: Fine.

Q Mr. President, will you stop at Birmingham on the way?

THE PRESIDENT: We will be in the station. I will have to make it some other time, not this time.

Q Would you like me to give Mrs. Roosevelt a message?

(One of the reporters returning to Washington.)

THE PRESIDENT: Good. Tell her everything is quiet, as you know.

Q Yes, extremely quiet.

THE PRESIDENT: I can't invent any news.

Q You are getting congratulations on your anniversary?

THE PRESIDENT: Quite a few telegrams coming in. How is the golf going? Gosh that day I was down there I got a glimpse of Phil Pearl's figure. You see, in his regular clothes he is pretty well disguised but in his golf clothes he was sticking.

out all over.

Q (Mr. Pearl) The next time you look it will be down. (Laughter)

Q So far the only person we have known to drive a golf ball under a bridge and out again is Mac. (Laughter)

THE PRESIDENT: Well, I'll get that swim now and keep you honest.

MR. TROHAN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #353
Outside of press cottage,
Warm Springs Foundation, Warm Springs, Ga.
March 23, 1937. 11:30 A. M.

THE PRESIDENT: Not a deuced thing.

Q Going up to the Valley tomorrow?

THE PRESIDENT: Yes.

Q How about the Court thing?

THE PRESIDENT: I don't know anything.

Q Can you tell us anything about the sit-down strike situation?

THE PRESIDENT: Nothing I can say. Of course, I am in touch with it all the time. Let me tell you off the record that the thing doesn't look so good.

Q Can you tell us how you arrived at that?

THE PRESIDENT: Just reading the papers.

Q Can you tell us whether Governor Murphy has been in touch with you?

THE PRESIDENT: I can't tell you that because it would be a long story. In other words, again off the record, I haven't talked to him directly, but have been in touch through Washington.

Q Is that off the record?

THE PRESIDENT: Yes, because there isn't any news in it.

Q Just in touch?

THE PRESIDENT: Yes, in touch but not directly.

Q Can you tell us anything about control of credit?

THE PRESIDENT: What do you mean, "control of credit?"

Q Control of inflation according to you, Secretary Wallace and a few other people?

THE PRESIDENT: That is a long story for the future.

Q Do you think you can get along without any new taxes?

THE PRESIDENT: I hope there won't be any new taxes this session.

Q We have all paid our income taxes. I think Henry has got a lot of money up there.

THE PRESIDENT: Yes. (Laughter) Unfortunately, I am afraid that the returns, according to the Press, were not very much larger than last year.

Q It was smaller. I got married. (Laughter)

Q His wife is supporting him. (Laughter)

Q We don't count expense account income; that is non-taxable.

THE PRESIDENT: I used to work for a paper myself, once.

Q That Harvard Crimson didn't have an expense account, did it?

THE PRESIDENT: I always wished it did.

Q I have a little good news. Kurt Sell sent down a case of bock beer from the German Embassy. He thought you would like it. And he has particularly insisted that you get a bottle personally and I am going to see to it.

THE PRESIDENT: That would be perfectly grand. Those are big bottles. You are being generous.

Q He also sent some bockwurst -- that is little sausages.

THE PRESIDENT: I'd love it and I haven't had bock beer for I don't know how many years.

Q I will send it over to you.

Q Do you plan to go on the air soon?

THE PRESIDENT: No.

Q Do you plan to answer any of the Court speeches?

THE PRESIDENT: No. The only thing I did this morning was to work on the Texas trip.

Q How about the status of that; have you got it straightened out yet?

THE PRESIDENT: The nearest I have is some time the last week of April.

Q For about two weeks?

THE PRESIDENT: Yes.

Q And Mac wins out on Galveston?

THE PRESIDENT: No. Ross (Dr. McIntire) and I think it would be better to work it further south and we may put Mac (Mr. McIntyre) in Tampico.

MR. McINTYRE: That's pretty close to the border.

THE PRESIDENT: Over the border -- you will be in Mexico.

Q They won't let Mac go into Mexico. (Laughter)

Q Do you plan to stop anywhere off the Coast?

THE PRESIDENT: Don't use it because the Texas people won't like it, but it is the worst looking coast I ever saw. There are very few inlets you can even get the Potomac into and there are lots of inlets with 7 and 8 and 9 feet of water which you can't get into.

Q Are you going to take the Potomac?

THE PRESIDENT: Yes.

Q Can we elaborate at all on this Eccles' statement the other day?

THE PRESIDENT: What was that?

Q About credit and things like that?

THE PRESIDENT: No. Evolutionary at the present time.

Q Can you tell us whether there will be any more taxes.

THE PRESIDENT: I said I hoped there would not be any more taxes this Session.

Q No need for any?

THE PRESIDENT: I didn't say that. (Laughter)

Q Have you got a good statement for the cherry blossoms?

THE PRESIDENT: I think -- don't use it attributing it to me but while writing the story, I would write it a little bit this way: If you go back to last November and December, when you were all guessing on the budget, nobody guessed last November or December that the budget itself would actually be in balance and there was a great deal of surprise in the financial world when we brought out a budget that was in balance on the condition that the relief expenditures did not exceed a billion and a half. In other words, as of last November and December, everybody thought that instead of being overboard -- what was the last budget? -- overboard by a billion and a half as in the current fiscal year, that it would probably run over four or five hundred million. Most of your stories guessed that we would be overboard four or five hundred million. Now we haven't any reason to change that except the possibility of a few things like the Wagner Housing Bill and the Farm Tenancy Bill which might run us a hundred or a hundred and fifty million over the budget.

Q Both or just the Farm Tenancy Bill?

THE PRESIDENT: Oh, no; both.

Q That is assuming that you keep relief down?

THE PRESIDENT: Now, the other question mark is "What happens on relief?" because I don't know that yet. Taking it by and large, we are inside of what most people's guess was as of last November and December, and when you are running a total budget of around six and three quarter billion, a matter of a hundred or two hundred million isn't a very serious thing.

Q How about that remark, "inside" -- is that off the record?

THE PRESIDENT: None of it is on the record. It is just a lead on how to run your story. When you have a budget running six and a half or seven billion dollars, a matter of a hundred million is pretty small potatoes whether you actually hit it or not. Then, of course, there is one other factor that ought to be mentioned. These are based on estimated expenditures for the coming fiscal year, which are within the figures of the budget, but, actually, the expenditures never run as high as the appropriations. We always save somewhere between a hundred and two hundred million on the actual expenditures. Therefore, you may on paper show that we will run over in the coming fiscal year whereas, when you tally it a year from now, you will be within the budget.

Q Have you heard from the Treasury Department whether the income tax returns are up to expectations?

THE PRESIDENT: I haven't had any final figures. As of the 18th they were about one hundred and fifty millions shy but they still have to go to the 30th, when they get the final figures.

Q You are in direct touch with Governor Murphy, are you not?

THE PRESIDENT: No, I am not.

Q When you say that the Wagner Housing Act and the Farm Tenancy Bill may run it up 150 million -- when you say that, may we take it that you are in favor of cutting down the amount of money to be carried on the Wagner Housing Bill?

THE PRESIDENT: No, when I talked about expenditures -- in other words, they may authorize a ten year program, and I am talking about the amount that may be usefully spent in the coming fiscal year.

Q You couldn't spend that much.

THE PRESIDENT: A good many people think we can spend more than that.

MR. TROHAN: Thank you, Mr. President.

THE PRESIDENT: I don't think there is anything else. See you all at the picnic.

CONFIDENTIAL
Press Conference #354,
Kress Hall, Warm Springs Foundation,
Warm Springs, Georgia,
March 24, 1937, about 6.00 P.M.

(This was an impromptu Press Conference following a party given by the office force to the newspapermen in the sitting room at Kress Hall. One of the newspapermen had queried the President as to a report emanating from Washington that he was going to hold a conference of great importance with Congressional leaders immediately upon his return from Warm Springs to Washington. The President was in the midst of his answer to this query when the reporter arrived.)

THE PRESIDENT: . . . . . that shows why it was impossible to talk to them before I announced the Supreme Court thing. I talked to them and said I would see them over the week end and evidently that started the story.

Q The story was that you were going to have a big conference on Saturday.

Q You will see them individually over the week end?

THE PRESIDENT: Of course I would see Jack (Vice President Garner) and of course I would see the Speaker and of course I would see Joe Robinson, but there would be no particular occasion.

Q From Washington they gather the names of Rayburn, La Follette, Byrnes and Black and Connally.

THE PRESIDENT: Well, they may be asking for a conference with me. That is another thing. I have not heard about it.

Q I think that is entirely possible from the queries we have had. Joe Robinson is inclined to say nothing at all about a conference

with you, but he might be inclined to say that if the situation (sit-down strike) did not clear up the Congressional leaders could get together and talk about the situation. In other words, the stories could have come from up there.

THE PRESIDENT: I do not think so.

Q Another thing, I think the Committee is going to meet on Tuesday.

THE PRESIDENT: Of course, again off the record, on this labor thing, naturally it is an Executive thing purely. You could not get through any legislation that could possibly affect this thing inside of two or three weeks and somebody would be dead -- shot, killed, etc., -- or the thing would have been settled in the meantime. Now, what they are trying to do is to butt in on this thing. The thing is going on pretty well in Detroit and it will be settled without bloodshed.

Q I hope you will call me down if I am not in order. You said the other day that it did not look good. Would it be all right to say you are worried?

THE PRESIDENT: No, not a bit worried. On the contrary, my advices indicate that things seem to be going pretty well.

Q Mr. President, would it be all right to say that you are careful about what you are saying?

THE PRESIDENT: No, I would not say I am careful, not at all.

Q Off the record entirely, what legislation could come out of the Federal Government on this situation?

THE PRESIDENT: Very little. Now, that is a practical question and I do not know the answer.

Q Except a reaffirmation of property rights from Congress.

THE PRESIDENT: What do you mean by that?

Q It is an expedient.

THE PRESIDENT: A Resolution by the Congress of the United States that "We still recognize the rights of property"?

As a matter of fact, there isn't anything here. I have no appointments. I will see, in the first four or five days I will see the leaders and between now and the time we leave on Friday I will probably call up Jack Garner and say, "Will you drop in sometime Saturday or Sunday to strike a blow for liberty?" which is literally true.

MR. McINTYRE: This is on the basis of a social party tonight.

THE PRESIDENT: This is on the basis of what has been said and no background at all. It is off the record.

MR. McINTYRE: Striking a blow for liberty and anything else, you cannot put that in the paper.

THE PRESIDENT: I have got a lead for you. Starting about, nearly four years ago, there used to arrive at the White House all manner of gifts and most of them were, I would say, of historical interest. But we did not have room in the White House, having filled up all the spare rooms and the passageways downstairs, so Miss LeHand had a very happy thought that we should start a Roosevelt Museum at Warm Springs. From that time on, every two months there has been sent to Warm Springs a very large case containing all manner of very interesting figures of all kinds, engrossed manuscripts, statues, plaster casts and everything else relating to the Chief Executive.

We have been sending them to Warm Springs now for four years

and all we know is that the Warm Springs Foundation receipts for those things when they get here. Somewhere here there is supposed to be a museum; I have never seen it. Somebody called it Madame Tissaud's Waxworks and somebody else called it the Chamber of Horrors.

Has anybody ever seen it? Where is it? Nobody has ever seen it but there is somewhere around here a museum, or at least some boxes with accumulations of years. Now, go to it. See what happens.

Q That museum was there in the spring of 1933 and then it vanished.

It was torn down when Meriwether Inn vanished.

Q We are all scooped on that.

CONFIDENTIAL
Press Conference #355,
In front of Georgia Hall,
Warm Springs Foundation, Warm Springs, Georgia,
March 25, 1937, 5.00 P.M.

Q Mac thought you would have some news, sir?

THE PRESIDENT: Not that I know of.

Q Have you heard anything further on the strike?

THE PRESIDENT: I haven't heard anything today at all.

Q How about this conference Senator Robinson said would be held tomorrow?

THE PRESIDENT: That is what nobody knows. I haven't heard of it at all.

Q Will you see them if they want to see you?

THE PRESIDENT: Foolish question No. 3. (Laughter)

Q The CCC boy (referring to the young CCC newspaper reporter who had interrogated the President during the afternoon) did so well that Phil (Pearl) wanted to try it.

THE PRESIDENT: He did very well. (Laughter)

Q Maybe he doesn't know he can't quote you.

THE PRESIDENT: I'll bet he does quote me.

Q You don't mind if we do?

THE PRESIDENT: He will do it in the mimeographed monthly.

Q You don't mind if we do?

THE PRESIDENT: Foolish question No. 4. You are doing well today. Did you talk to any of those people on how they are doing out there? (Pine Mountain Project)

Q We didn't have a chance to. We noticed they are getting along all right but we didn't see any livestock.

THE PRESIDENT: You see, they have a cooperative dairy. They have their own pigs and their own chickens.

Q How do you think they are going to get along?

THE PRESIDENT: I think they are going to get along all right. They started paying this fall and I think, compared with the rest of the countryside we went through, it is a most amazing thing to see how they are cultivating and how the houses look.

Q What is their chief crop out there?

THE PRESIDENT: That is exactly the point. They just don't have a chief crop. The theory is that they raise all they possibly can of their own food stuffs. They are putting in every kind of a vegetable they can grow and they are doing a tremendous amount of canning. In addition to furnishing canned food for their home consumption, they are canning for the outside market and selling at a profit to themselves through a cooperative.

Q How old is that project?

THE PRESIDENT: Let me see. We started three years ago -- started to buy land then. The first families were moved in a little over a year ago and they have 185 families.

Q They didn't start paying back until this fall?

THE PRESIDENT: Until this fall. Maybe some of the first families started the first of the year, but most of them this fall. And they are supposed to raise most of their own food supplies. They have a cooperative dairy which makes a profit in the heavy milk season but it is mostly for local consumption.

Q They don't raise any cotton?

THE PRESIDENT: Yes, they are going to raise perhaps about 80 acres of cotton. They are diversifying on sweet potatoes and cotton; I think they are raising some of their own wheat and grinding it themselves.

Q How about rye?

THE PRESIDENT: Yes.

Q They are raising a few children, too.

THE PRESIDENT: Quite a lot of them.

Q How is your farm?

THE PRESIDENT: All right.

Q When this CCC becomes permanent, do you think there is any possibility that the boys who care to do so may, as part of their recreation, take training or rifle drill?

THE PRESIDENT: Not in the camps.

Q That has been brought out several times in editorials.

THE PRESIDENT: Yes. No, they have too much else to do. They have a good deal of occupational work and, of course, they have all kinds of courses of instructional work.

Q Suppose they wish to do it instead of playing football?

THE PRESIDENT: No.

Q Then, in tonight's overnight story, we will get you back to Washington and just say you have one engagement? Is that all?

THE PRESIDENT: I don't know. We haven't heard one blessed thing.

Q Do you expect this group of Governors to come back and see

you next week on this relief thing?

THE PRESIDENT: Yes; some time before the message goes in.

Q In the next two or three weeks then?

THE PRESIDENT: Yes.

By the way, in this other camp where we saw the dam (during the afternoon drive), that is coming on very well. That is to be turned over this summer to the State of Georgia, to this new State Park Commission they have created for the first time.

Q How many acres in that?

THE PRESIDENT: About five thousand, both sides of the mountain, and then they have these cottages which the people will rent for fifty cents a head a night -- some on this side and some on the other side, -- and then they are building a lake on the other side -- you didn't see that. They have more applicants now than they have cottages. That is pretty good, considering that they have not finished.

(Off the record talk about peach brandy, as made locally.)

MR. TROHAN: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #356,
Executive Offices of the White House,
March 30, 1937, 4.00 P.M.

Q I wish this were in front of the Cottage (in Warm Springs).

THE PRESIDENT: Well, how is everybody feeling?

Q Fine.

THE PRESIDENT: Well, we got a lot of important financial news down there. (Laughter)

Q Believe me, that was printed in every paper in the country except the Wall Street Journal. (Laughter)

THE PRESIDENT: They didn't print it?

Q But they thought it was wonderful and signed my expense account O. K. My largest item was "entertaining for McIntyre." (Laughter)

THE PRESIDENT: Now I am learning some new secrets.

Q Mr. President, don't you O. K. any of McIntyre's expense accounts?

THE PRESIDENT: I always check those pretty carefully.

Q You can let him have a few golf balls -- he lost so many.

THE PRESIDENT: That was a grand party down there this year. It was a real holiday. It is the best holiday I ever had at Warm Springs because I didn't do one damn thing.

Q You didn't have everybody running in on you. That is the nice part.

THE PRESIDENT: Yes.

MR. DONALDSON: All in.

THE PRESIDENT: Well, the Warm Springs family says there is no

news whatsoever. I don't think there is any news. You know everything that I know of.

Q We doubt it.

Q Mr. President, do you think the Supreme Court is curing itself?

THE PRESIDENT: I don't think there is any news on it. To tell you the honest truth, I haven't even had the time to read the opinions. I have the printed opinions on my desk.

Q I have the minority opinion. It is a good one this time.

Q Is it too early to discuss labor policy legislation?

THE PRESIDENT: Oh, yes; a good deal.

Q In that connection, do you approve of sitdown as a good strike technique?

THE PRESIDENT: I don't think there is any news on that. It is too early to discuss labor policy.

Q Will you tell us about your conference with that Agricultural Committee?

THE PRESIDENT: Well, I just talked to them about the general aspects of the Farm Tenancy legislation and there are three.

I told them that after looking over the situation in different parts of the country it might be said that there are really three aspects to the farm tenancy problem. The first is the continuation of rehabilitation loans. Of course, most of them go to people who are on land which, after a survey, we believe the farm family can make pay. That runs somewhere around, as I remember it, about 75 million dollars a year. Hitherto that has been taken out of the relief budget, as I remember it.

Then the second phase relates to the purchase of submarginal land -- taking that land out of cultivation or putting it into trees or grass.

Then the third phase of it, which I particularly wanted to talk to them about, is the more difficult and, at the same time, I think the fairly important phase of the problem, and that relates to the purchase of land by the Government for two purposes: First, a place to put the families that have been taken off the submarginal land, instead of paying them for the submarginal land and letting them shift for themselves in the hope that they may find another farm. I think we owe a certain duty to the families that are on submarginal land that we buy out, making them move. I think we ought to give them another place to go to. And then there is the other class of people, especially the people who are tenants on the larger farms, who should be given a chance to buy the farm on which they live. That means the subdivision of the larger properties.

Q Would that be compulsory?

THE PRESIDENT: Oh, no. Oh, Heavens, no. None of this is compulsory. Whether the amount is small or as large as proposed in the Jones' Bill -- I think it is fifty million that is proposed for the second two phases, that is, submarginal land and the financing of people on new farms -- whether it should be as high as that or whether the Committee would want to keep it down to a smaller amount on what might be called an experimental basis, I don't think it makes a lot of difference, but I think we ought to work towards the reduction of farm tenancy.

Q Mr. President, do you favor turning the land over to the tenants immediately, or after they have paid 50% or after a period of years such as, say, 20 years?

THE PRESIDENT: I don't think it makes an awful lot of difference as long as there is protection there against land speculation.

Q Such as a tax as recommended by the Committee?

THE PRESIDENT: I don't care much about what the details or methods are so long as you prevent land speculation.

Q Is that fifty million dollars for the first year or fifty million dollars a year?

THE PRESIDENT: No, I think only the first year. I don't know what it will be; maybe only ten million. That depends entirely on the Committee.

Q Does the Committee -- did they indicate they will be able to work out the details of the program this session?

THE PRESIDENT: No; we didn't talk about that at all.

Q Does this plan refer to a particular section of the country or only generally?

THE PRESIDENT: It would be spread very, very thin. Practically speaking, it would be on an experimental basis, an administration basis, because, obviously, if you did it for all the tenant families it would run into the billions.

Q The figures show forty or fifty thousand people a year going off the land.

Q This is the first step?

THE PRESIDENT: Not necessarily.

Q Is consideration to be given to an increased naval program to

meet the British program, or have we abandoned the policy of a navy second to none?

THE PRESIDENT: That hasn't come up.

Q Mr. President, within the last fortnight there has been a change of policy on the part of the Post Office Department toward the right of newspapers to print results of sweepstakes and stories of sweepstakes' winners. Since June of 1933 we have been printing those results under a more liberal policy on the part of the Post Office. While we were in Warm Springs word came out that more stringent regulations are to be put into effect which apply to newspapers. I wonder if you are familiar with that change of policy?

THE PRESIDENT: I haven't talked to anybody about it.

Q Would you care to make any comment regarding the proposal advanced by Philippine President Quezon a week or so ago to shorten the Commonwealth period?

THE PRESIDENT: I haven't heard a word since I got back. I don't know. All I heard down at Warm Springs -- and I think it has been given out -- the scheme for a joint committee to study the whole problem. I don't think there is anything more than that.

Q Have you given any consideration to the personnel of that committee?

THE PRESIDENT: No, not yet.

Q Any comment on Senator Glass' speech last night, Mr. President?

THE PRESIDENT: I haven't read it and I didn't hear it.

Q Mr. President, can you tell us something about your conference this afternoon? (With Secretary of Labor, et al)

THE PRESIDENT: We talked about everything, including the kitchen stove.

Q Did you include the sit-down strike?

THE PRESIDENT: Everything.

Q Have you named the American delegates to the World Textile Conference leaving here Friday?

THE PRESIDENT: I just did. I put an O. K. on it and it has been sent over to the State Department. They will have to give it out.

Q Do you think state legislation is adequate to take care of and prevent low wages and long hours?

THE PRESIDENT: Oh, I think I have talked on that lots of times.

Q Did you change your mind?

THE PRESIDENT: No.

Q The Supreme Court decision dealt with minimum wages for women only. Have you expressed an attitude on that or do such laws figure in your program?

THE PRESIDENT: That is women only. I think it should include everybody, men and women -- and children where they are employed and they are still employed in some states.

Q Can you tell us anything about what you plan to take up with the Canadian Governor-General?

THE PRESIDENT: Oh, everything, horizontally and perpendicularly, latitude and longitude. Putting it that way, you can't make a mistake.

Q I wonder if you have seen a copy of the wages and hours bill which has been drawn up by Labor Department attorneys?

THE PRESIDENT: No, I don't know anything about it. I am going to do one thing -- I haven't done it yet -- but I am going to ask the Attorney General for an expression of opinion about what I read in the papers this morning and this afternoon about the District Minimum Wage Bill that was thrown out in the Adkins Decision. I see that somebody said it was now back on the statute books and somebody else said it was not. The first thing is to determine the Attorney General's opinion as to whether it is back on the statute books or not.

Q Does the law have to be reenacted?

THE PRESIDENT: I don't know.

Q Are you familiar with the law?

THE PRESIDENT: I am not familiar with it; I wasn't here at the time.

Q I was going to ask you. It establishes a Board for the administration of a minimum wage for women in the District of Columbia.

That is the brief of it and they think they can go right ahead with it.

THE PRESIDENT: I am going to get an opinion on it and if the law is back on the statute books, we ought to know whether it is back on the statute books and whether it requires amendment or change, or, if it is not on the statute books, then in that case we ought to know that it is not.

Q Would that include men and children also, Mr. President?

THE PRESIDENT: I don't know. What does the present law include?

Q Just women. I think it includes children too -- women and minors.

THE PRESIDENT: Why not go the whole hog?

Q What do you mean -- men? (Laughter)

I did not mean to be funny about that. Seriously, if you were to recommend a law, would you include men?

THE PRESIDENT: Men and women. It is all right.

Q The issue in the Adkins case, Mr. President, was that women lost their jobs.

THE PRESIDENT: They did? Don't the women want minimum wages?

Q Some do, but not for women only. Most professional women don't for women only. Industrial women do.

THE PRESIDENT: Ladies of the Press?

Q Don't. We are in competition. (Laughter)

Q If you find that the Adkins law is back on the statute books, if you get such an opinion from the Attorney General, would you explore the possibility of having other laws, such as NRA and AAA --

THE PRESIDENT: (interposing) You are getting too "iffy."

Q Are you going to take a cruise this summer? I was wondering; the Sewanna is being reconditioned.

THE PRESIDENT: For Jimmy?

Q Yes, sir.

THE PRESIDENT: He didn't tell me he had rented it. He may have.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #356-A,
(Press Conference of Lord Tweedsmuir,
Governor-General of Canada, on the
occasion of his visit to the White House),
Executive Offices of the White House,
March 31, 1937, 10.10 A.M.

(Mr. J. Russell Young introduced all of the members of the Press to Lord Tweedsmuir.)

THE PRESIDENT: I can introduce the Governor-General as an old newspaperman, which he was, so he belongs to the fraternity. Of course, during the war, as you know, he was the head of the press section in France and got to know all of the older generation who were there during the war. So, being a fellow newspaperman, treat him gently.

LORD TWEEDSMUIR: It is very good of you to give me the chance of meeting some of my older colleagues. I am very sorry that I cannot say anything about public affairs because a Governor-General has no politics. He has no views on anything except his Cabinet and Prime Minister. I am delighted to meet you. I wonder if there is any of the old brigade that was in France in the war?

THE PRESIDENT: At the moment, not.

MR. EARLY: I was there.

LORD TWEEDSMUIR: Were you there? Were you, really? I had the privilege, during the last months of the war, of meeting American journalists in England three times a week about public affairs and the state of the war. I told them again and again about affairs that would have blown me out of the war and they never even hinted in the publicity of things that I asked them to keep quiet.

Do any of you remember a man called Judd Welliver?

Q Yes.

LORD TWEEDSMUIR: Where is he?

Q In Philadelphia.

LORD TWEEDSMUIR: If any of you see Judd will you give him my love?

Q Can you tell us whether there was an opportunity to get in some personal conversation?

THE PRESIDENT: Just a little. You see -- well, the Governor-General cannot officially say anything about Government affairs in Canada. If we both sit on the sofa, we can soliloquize to ourselves and might overhear what the other fellow was saying. (Laughter)

LORD TWEEDSMUIR: It is a very good way of putting it. (Laughter)

Q That is why I said personal conference. (Laughter)

THE PRESIDENT: We expect to have more of them.

LORD TWEEDSMUIR: I apologize for my clothes this morning. This is not my ordinary garb.

Q Isn't this something like an innovation in holding a Press Conference?

LORD TWEEDSMUIR: Yes. I meet all the press men in Canada, of course, but they come to see me privately. A Press Conference is unknown.

Q Apart from very public affairs, would you care to say anything about the relations between the two countries?

LORD TWEEDSMUIR: That is public affairs. Of course I have known the old country for many, many years and this has always been a kind of second fatherland to me. I have known your country a long time so I am not a stranger. I do not suppose there are any of you who know the battlefields about here? We followed every move of Jackson

in the Valley (Shenandoah Valley?) campaign, every one of them.

THE PRESIDENT: I wish, while you are here, you would have time to go over to the Shenandoah Parkway. That starts at Warrenton, just south of here, and it is on top of the Blue Ridge, on this side of the Valley. We have built this roadway up on top of the ridge. It is about 150 miles long now and will eventually be extended all the way down North Carolina to the Smokies.

LORD TWEEDSMUIR: On the ridge?

THE PRESIDENT: Yes. It is the most beautiful scenic drive we have in this country.

LORD TWEEDSMUIR: I remember the battlefields at Fort Republic.

Q Where is that?

LORD TWEEDSMUIR: Down in the Valley at Fort Republic.

Q Have you read Haskell's letter on Gettysburg?

LORD TWEEDSMUIR: No.

Q You will find it in the Harvard Five-Foot Shelf.

Q Nothing was so silly -- do you think the Americans and English act and think alike?

LORD TWEEDSMUIR: Thank God, they are different. You are never good friends of the people you are too like.

Q After you leave here, sir, are you returning immediately?

LORD TWEEDSMUIR: I have got to get back. The representative of the Emperor of Japan is getting there. He is on his way to the Coronation, and I have to get back. I will spend a day or two in New York and see some of my friends.

Q Thank you, Your Excellency.

LORD TWEEDSMUIR: Thank you very much. You are very kind.

CONFIDENTIAL
Press Conference #357,
Executive Offices of the White House,
April 2, 1937, 10.40 A.M.

THE PRESIDENT: Many happy returns, Russell (J. Russell Young, 1882 -). He is a mere child. He was not born until April. I was ready to talk and walk when you came into the world.

5-5-55 KeB

Q (Mr. Young) I was married in [1905?] 1895, same as you.

THE PRESIDENT: I think all of us congratulate Dean Young on achieving another birthday anniversary. Perhaps the ladies might like to lead us in singing "Happy Birthday" to you.

(Laughter)

He gets younger every year.

I don't think there is any particular news. Probably somebody will ask me this, so I will anticipate it. The relief message, I should say at the present time, will go up about the 14th -- about a week from next Tuesday, along in there. Not necessarily Tuesday but I hope to get it up that week and with the relief message will be a statement of a recasting of the estimated receipts and expenditures for this year and for 1938, based on the new information that has come in since the December forecast.

Q Mr. President, the stories both here and from Europe persist in the intimation that you are considering some important move in the international situation, particularly with regard to disarmament. Can you tell us whether there is any foundation for that?

THE PRESIDENT: I hate to have to say it, but I am afraid that all

of those articles are press inspired. I hate to have to say it, but I am afraid that that is the actual fact. The Secretary of State yesterday answered the same question perfectly categorically and perfectly truthfully and he said -- he made it very definite to you gentlemen in entire candor that Mr. Davis has not gone over to London to enter into any agreement of any kind or even to propose any agreements of any kind outside of his official and well defined connection with the London conference and along with that will be determined later on the question of whether he will go to Geneva the first of May for a meeting of the Armaments Committee. That does not in any sense mean we are making any proposals to anybody or planning to make any proposals to any government or governments for a conference of any kind.

Q Mr. President, there is a story that Mrs. J. Borden Harriman is slated for a diplomatic post?

THE PRESIDENT: I can't tell you anything about it. There have been various suggestions. It is the same old story, one has to get agrément from the foreign governments and there are always leaks on the other side in a great many places that we are asking for such an agrément. I can't tell you more than that because I don't know whether any of the agréments have come through.

Q Getting back to relief which you spoke about at first, do you anticipate that the recasting of the estimated expenditures and receipts will show the financial situation in about the same picture as it was?

THE PRESIDENT: I can't tell you that because I haven't got the figures. They are just starting to work on them. I won't get them until about the end of next week.

Q Have you done anything as yet about an Under Secretary of State?

THE PRESIDENT: Not yet, no.

Q Will you confer with the five Governors on relief soon?

THE PRESIDENT: I don't know. I am talking to Governor Lehman on the telephone in about 15 minutes.

Q You expected to bring them back down here after your return?

THE PRESIDENT: I don't know.

Q On relief, may we ask if there is any determination of the amount to be asked?

THE PRESIDENT: Well, that also I cannot tell you until the end of next week or the beginning of the following week. Probably that will be held until the actual message itself.

Q Will this message also state a long range relief policy or has that been drawn up as yet?

THE PRESIDENT: I don't know.

Q Do you still hope you won't need any new taxes?

THE PRESIDENT: I do, at this session. Always put that in, you know, because I don't want somebody next January, if I ask for a change of taxes or new taxes -- to have somebody come back and say, "On April 2nd, 1937, you said you would ask for no new taxes."

Q Have you any comment on the sit-down strikes?

THE PRESIDENT: I don't know.

Q One question I would like to ask: I don't understand this "agrement" thing you placed such emphasis on. Will it be all right to say that she -- (laughter) that she is being -- that aside from this agrement that she is seriously being considered? (Laughter)

THE PRESIDENT: You will have to use your discretion.

Q She is one of our big local (social) leaders. (Laughter)

Q Have you heard something on this subject of minimum wages? You were going to ask the Attorney General for his opinion.

THE PRESIDENT: I haven't heard from him. We will probably talk about it in Cabinet today.

Q Any decision reached on the Wagner Bill that Secretary Morgenthau is talking about?

THE PRESIDENT: I haven't heard anything about it for four or five days. They are still conferring on it, hoping to find a formula.

Q Can you tell us anything about your conference yesterday with a group of Representatives concerning the continuation of PWA?

THE PRESIDENT: Yes, I gave them an economic dissertation. I don't see any reason why I should not try to put in words of one syllable what I said to them. Everybody who has been reviewing the existing economic situation is pretty well agreed that the present increase in the production of durable goods is going more rapidly than the production of consumer goods and that that, judging by the past -- going back over thirty or forty years -- does constitute a danger sign. Almost every

time in the past that the curve of durable goods has gone up above the curve of consumer goods, we have run into -- not a depression but a falling off in the production of both consumer and durable goods within the next twelve to eighteen months. Now, that is history and I think almost all economists are agreed on that. Well, that means that we have got to think about the connection of the Government in stepping up the production of durable goods and I have about reached the conclusion that the time has come for the Government, insofar as is possible, to discourage Government expenditures on durable goods and to encourage Government expenditures on consumer goods.

Another way of putting it is this: We need more distribution of national income, not Government expenditures but national income, which would include Government expenditures. We need more expenditures at the bottom and less at the top, because of the fact that expenditures of funds at the bottom goes primarily to people, millions of people, who are the consumers of consumer goods rather than consumers of durable goods.

Just for example, this past -- taking up again the Government end of it -- this past six months or a year we have been buying, inclusive of the Army and Navy contracts, two hundred and fifty million dollars worth of steel. Those are Government purchases. The Government has been purchasing a very large percentage of the total cement output. Of course cement is durable goods. Well, the net result is that we are

coming to the conclusion -- you raised this question in speaking about public works -- that with respect to future expenditures during the coming year of Government money, we want to slow down on things like steel bridges and great permanent structures that use certain materials, the prices of which are going up and up and up.

I am concerned -- we are all concerned -- over the price rise in certain materials that go into durable goods primarily. Well, for example, we all know that there are a great many mines in this country -- copper mines -- that can turn out copper at a profit at five and six cents. Even the high-priced mines, like Anaconda, they can probably make a profit at eight and nine cents. Yet today copper is selling at 17 cents or more, pushing up thereby the prices of all kinds of articles into which copper enters and of course it does enter into a very, very large field of articles of all kinds. Primarily, however, it enters into durable goods articles.

I think it is in line -- this economic situation and the policy of the Government in regard to its own expenditures -- it is in line with what we have been talking about in regard to planning. On public works we have all talked about our old figure of five hundred million dollars. Now, in a time like this, the less we spend on great, permanent public structures like bridges and so forth, and concrete dams, the better it is. At the same time, in taking care of relief and other necessary things like dredging channels and building dirt dams and things of that kind, that is all to the good because that gives a

larger purchasing power for consumer goods, as opposed to durable goods.

Therefore, to wind it up, that was the economic story that I told those gentlemen from the Hill the other day -- yesterday -- that in my judgment the Government ought not to encourage too great purchases of durable goods at the present time -- to slow down on it because they are in an upward spiral which is at least a danger flag, judging by the past.

Q Isn't that somewhat a matter of reversal of conditions? It seems to me that early in 1933 and 1934 not enough durable goods were being purchased.

THE PRESIDENT: Absolutely. You remember that was the principle thesis of Lew Douglas all through 1933 -- do something to get the durable goods started.

Q Mr. President, on that basis the Wagner program is more or less out except as a blueprint for tomorrow.

THE PRESIDENT: What program?

Q The Wagner housing program.

THE PRESIDENT: Depends a good deal. Of course you and I know, as a practical matter, it is a blueprint in the sense that you cannot -- if the Wagner Bill goes through this year, there won't be a heavy expenditure under it for a year to come. It will take so long to get the various projects put together and started.

Q I wasn't thinking of that so much, Mr. President as of when you were talking away back of having a public works program

ready for next time.

THE PRESIDENT: That's right. But when you come to 17-cent copper, you are slowing everything up. Or six dollars a ton increase in steel. Of course people are figuring how much of that increase was necessitated by the wages paid to steel workers.

Q I was going to ask if you thought some of those increases in prices are far above what they should have been.

THE PRESIDENT: Well, copper is an excellent example. I think the Central Statistical Board may have some figures on that. I think that the price increase of ordinary steel was much larger than was justified by the increase in the pay of the workers; it was probably somewhere between twice and three times the amount that went to the workers.

Q Was there any thought to trying to check that?

THE PRESIDENT: I wish you would show me a way of doing it.

Q Doesn't this constant increase in armaments throughout the world have an effect?

THE PRESIDENT: Of course it has; it has a tremendous effect. I haven't got the actual figures but I suppose you can get them. Steel orders that have come to us from Great Britain just in the past month -- I am told they run forty or fifty million dollars. You had better check on that because I don't know that those are the correct figures. That is an amazing thing for us to be sending forty or fifty millions to England, if those figures are correct.

Q Any relationship between that 17-cent price on copper and that 4 cents excise tax?

THE PRESIDENT: None at all.

Q Are you in favor of the revision of that tax?

THE PRESIDENT: I don't think it makes much difference because the world price is 17 cents. In other words, there would be no imports to this country if there were no tax. It would make no difference if they left it on or took it off.

Q Any significance in the presence at the dinner to the Governor General of Mr. Manly and Mr. Walsh?

THE PRESIDENT: Except that they had been up to meet him in Ottawa.

In other words, they are old friends.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference # 358
Executive Offices of the White House,
April 6, 1937, 4:10 P. M.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any news at all.

Q Mr. President, are your plans for the Texas trip complete?

THE PRESIDENT: No, no more than they have been before.

Leave -- I don't know -- possibly about the 28th.

Q To be gone about two weeks?

THE PRESIDENT: Gone about two weeks, yes.

Q Mr. President, has there been any discussion of the tax or tariff on gold imports?

THE PRESIDENT: No.

Q Or the lowering of the price?

THE PRESIDENT: No.

Q Anything you care to say about the sit-down strike?

THE PRESIDENT: Only thing I saw about it was in Mallon's column or something like that.

Q Anything you can tell us?

THE PRESIDENT: No, no news.

Q Mr. President, on your discussion of earth fill dams last Friday, will that include Federal funds for the construction of farm ponds? Is that part of the program?

THE PRESIDENT: That is, of course, part of the way a great many states can usefully use WPA labor. And not only confined to those states where we saw them building them last year but to a great many other states too. The Geological Survey, I think

it was, made a survey of the run-off of water and it is amazing the number of eastern states that would be benefited if they could hold back the water in that way.

Q By the use of these smaller farm ponds or reservoirs?

THE PRESIDENT: Yes.

Q Have you had an opportunity to study that new report from the Army Engineers on the Florida Ship Canal?

THE PRESIDENT: No, not yet.

MR. EARLY: You don't get that report, sir. That was merely transmitted.

THE PRESIDENT: It was transmitted, yes. I think we have a copy here. I am going to read it but I haven't got around to it yet.

Q What became of the steel price inquiry you asked the Department of Justice to make?

THE PRESIDENT: I didn't ask the Department of Justice to make it.

Q You will recall you referred all that material that Secretary Ickes sent over?

THE PRESIDENT: The Central Statistical Board, I think it was. I think they are studying it.

Q I am not referring to the price structure. Perhaps you may remember that a year or so ago Secretary Ickes had quite a bit to say about collusive bidding -- identical bids -- and at that time a mass of material was sent over to the Justice Department from the White House?

THE PRESIDENT: Glad you reminded me of it. Steve, will you have a check made. I haven't heard of it since you reminded me the last time.

Q On your Texas trip are you going to New Orleans first?

THE PRESIDENT: I don't know, but Mac (Mr. McIntyre) thinks we are.

Q Yes, let's have one night in New Orleans. (Laughter)

Q The new coal bill practically knocks out Civil Service in that agency, which is apparently in direct conflict with your recommendations in the Reorganization Bill. Do you care to say anything on that subject?

THE PRESIDENT: I think probably it is a perfectly good opportunity. As you know, a great many of these bills establishing new commissions -- new agencies of the Government -- they have taken their personnel in whole or in part out of the Civil Service. In no case has it been on my recommendation. It has been Congressional action, which was wholly within their rights. Of course, as these new agencies are established, I hope that under the Reorganization Bill I will still have the right to cover such portions of the personnel as may be desired under Civil Service.

Q Do you regard it as a deviation of your stated policy for the bill to be passed in such a way that an agency set-up would be almost entirely outside of Civil Service?

THE PRESIDENT: No, because I did not draw the bill.

Q You have the veto power.

THE PRESIDENT: Yes, but when you come down to it, if you can effect the same objective by a different method without vetoing a bill on that grounds, it seems to be the most practical way of doing it. And it seems to me that under the Reorganization Bill I will have the authority to convert a great many of these

agencies that were not made Civil Service by law, to put them under the Civil Service. As you know, we are doing that steadily with the agencies already created.

Q Mr. President, do you hear of any progress being made by the Reorganization Bill?

THE PRESIDENT: I was told this morning that they are getting on very well with their hearings and discussions.

Q Those are closed hearings?

THE PRESIDENT: Yes.

Q Mr. President, have you any further comment you care to make on these repeated assertions from abroad that you are contemplating calling an international conference on disarmament, economic problems and other things?

THE PRESIDENT: Only to repeat the comment I used the other day, that nobody dared to print.

Q Namely that they were press inspired reports?

When you said that, did you mean inspired by the press?

THE PRESIDENT: By the press.

Q Our press or the foreign press?

THE PRESIDENT: Our press here and, in large part, the representatives of our press on the other side.

Q Getting back to Reorganization, have you read the Brookings report on the Comptroller General?

THE PRESIDENT: No, I haven't got it. Has it been published?

Q It has been published and the Committees on the Hill have it. One of the recommendations is that you should appoint a Comptroller General at once.

THE PRESIDENT: Without any change from the previous system.

Q Yes, because of policy -- the Acting Comptroller General, they found, does not want to take the responsibility for formulating a new policy.

THE PRESIDENT: I guess we won't do anything about it for a while.

Q Will the relief message go up next week?

THE PRESIDENT: I hope so, yes.

Q I hope it won't run afoul of the previous answer, but today is the twentieth century of our entry in the World War. Have you any reflections on the general situation today, in contrast?

THE PRESIDENT: Yes, I was thinking today how much more peaceful I am than I was on the 6th of April, 1917. As I remember it, I got to bed that particular night about four o'clock in the morning. I spent most of the day in sending telegrams to every ship and every naval station on every ocean and in putting into effect the contracts that we had made in the Navy for various war materials.

I always remember one particular episode: The Navy, at first under Paymaster General Cowie and then under Paymaster General McGowan had started in the previous fall, because they thought that things looked like War, and they had made contracts with every known company for supplies and materials of all kinds from steel down to potatoes that we would need in case of war in the Navy.

About four days after the declaration of War, about the tenth of April, I was sent for by Joe Tumulty to come over here to the White House. I came and there was the President, Barney

Baruch, the Secretary of War and the Chief of Staff. The President said, "Roosevelt, I am very sorry but you, in your zeal, you have cornered the market in a great many essential supplies and you have got to give up 50% of it to the Army." (Laughter)

The Navy did a great job because actually on the 2nd of April, when the President determined on his message to the Congress, and within a few minutes of the time that we got the flash that he was going to the Congress to ask for a declaration of war, we had sent a code telegram to all of these contractors which meant, "Go ahead with that order."

So today I am feeling very peaceful compared with twenty years ago.

Q Mr. President, are your plans for flood control nearing completion now? There are several schemes up on the Hill to create authorities of various sorts, and they seem to have boiled down in the last --

THE PRESIDENT: (interposing) That's it. I am trying to boil them down and see if we can't get them in somewhat orderly shape, which they are not in now.

As you know, there has been a habit -- I suppose it has been in existence forty or fifty years, as far as I know -- on any flood control project or any river or harbor improvement, on any suggestion that has been made either by a committee or by a member of a committee that they would like such and such a river deepened or such and such a harbor dredged out, they have had a habit of sending directly for

a report and recommendation from some Government agency involved. It may be the Reclamation Service, or it may be the Army Engineers or it may be any one of half a dozen different agencies. Then the particular agency so asked has been in the habit, in the past, of sending back their recommendations to the Committee of the Congress, in many cases without even referring it to the head of their own Department. Well, of course, the net result is that you get favorable recommendations from different Government bureaus for perfectly obvious reasons. They would like to do the additional work. That is only human. It is a perfectly natural thing. But there has never been any organization to tie the whole thing in together as part of a national program.

I took up the other day with the Secretary of War and the Chief of Army Engineers many requests that have come down this year in regard to recommendations for different flood control projects. I also took it up with the Secretary of the Interior and got the recommendations from the Reclamation Service. From now on such recommendations will be made, in complete form, by the bureau involved -- that is all right -- but they will come via the Secretary of the department to me. Then, pending the Reorganization Bill -- until that goes through and goes into effect, as I hope it will, until that time -- I will then take the bureau recommendation, which may have on it some comment from the head of

the department, and send it to some appropriate reviewing authority, such, for example, as the National Resources Committee, for their comment. It won't take long, only a matter of a few days. It will then come back to my desk and then I may or may not add my comment and send the whole works up to the committee of the Congress so that they will have a complete picture, starting with the original recommendation of the bureau plus the comments on it all the way through to the responsible planning agency, and in that way I hope we will get a little more order out of it.

Q When you say these will come to you through the secretary, do you mean the Secretary of War?

THE PRESIDENT: Any one of the secretaries. It may be the Secretary of Agriculture, the Secretary of War, the Secretary of the Interior.

Q Would this mean taking the Army Engineers out of the picture to some extent?

THE PRESIDENT: No. Their recommendation will go as they make it to the Hill, absolutely. There was a fool editorial about a week ago about how the Army Engineers were going to be taken out of doing any public works. Of course that is crazy -- perfectly silly.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #359,
Executive Offices of the White House,
April 9, 1937, 10.35 A.M.

MR. DONALDSON: All in.

THE PRESIDENT: Steve (Mr. Early) tells me I know nothing. What do you know?

Q Mr. President, about a week ago you indicated that the prices of copper and of iron and steel were much too high. That thought seems to have extended into the London gold market and gold now seems to be considered too high because the franc and pound, I am told, are going down. There seems to be a lot of agitation for lowering our acceptance price for gold. Can you tell us anything about it?

THE PRESIDENT: Who is doing the agitating? (Laughter)

Q Danged if I know. I am not.

It started with copper, iron and steel and now it has gotten to gold and silver.

THE PRESIDENT: All I can say is that it is a very interesting statement.

Q Yesterday Senator Lundeen was very mysterious when he went out of here. Can you tell us anything about your conversation with him?

THE PRESIDENT: We talked about the world in general and had a very nice time.

Q Nothing specific?

THE PRESIDENT: Literally nothing specific. I hadn't seen Senator Lundeen since the session opened, since he had become a Senator, and I just wanted to say "How do?"

Q Homer Cummings and Richberg were also mysterious as to the nature of their visit.

THE PRESIDENT: That tied up, in short, with the question that somebody asked the other day about that old thing of away back last winter -- identical bids -- and they are going to give me a report in a couple of weeks.

Q In what capacity is Mr. Richberg working?

THE PRESIDENT: He had been working on it.

Q Identical bids from steel companies?

THE PRESIDENT: Different kinds of identical bids.

Q Do you know of any plan to lower the American gold price?

THE PRESIDENT: No, except in the press, and that particular thing, I think, seems to have originated with the foreign press, so that will absolve us.

Q Can you tell us anything now to clarify that situation?

THE PRESIDENT: I have nothing to say about it. The Treasury doesn't know anything about it and I don't know anything about it, therefore you can't manufacture a story out of it. It is complete news to us.

Q Mr. President, are you seeing the same Governors about relief in the next day or two?

THE PRESIDENT: This afternoon at 3.30; I think there are four of them coming.

Q Has a date been fixed, sir, for sending up the relief message?

THE PRESIDENT: No.

Q Approximately fixed?

THE PRESIDENT: About the middle of next week. I think I originally

said about the fourteenth, which is Wednesday.

Q Have you reached any tentative figure on relief?

THE PRESIDENT: Probably won't be done until about twenty-four hours before the message goes up.

Q Secretary Morgenthau says we might recast the budget in that message.

THE PRESIDENT: Yes. You will remember I talked about that the other day. I said we would probably put in the usual revision of budget estimates that we do every few months. We will do it because this probably will be a fairly long session. Instead of waiting to do it at the end of the session, we will probably do it now.

Q How long do you think the session will last?

THE PRESIDENT: Don't ask me that.

Q When you send up your relief request -- your request for an appropriation, do you expect to say what kind of relief program you will want?

THE PRESIDENT: I don't know. I haven't started to work on the message at all. I have no idea.

Q Has the Navy Department taken up with you their troubles in getting bids on their dry docks? For instance, again yesterday their bids were read over and rejected because of the amount of money they had to spend.

THE PRESIDENT: The rising prices -- if they get a fixed amount as of today it may not be good two months from now. As a matter of fact I have asked the Navy Department to take up the whole subject with me, the design of the dock and everything else. I am

not satisfied with the cost of the dock.

Q When will they do that, sir?

THE PRESIDENT: Oh, in the next few days.

Q Mr. President, are you speaking of the large or small dry dock?

THE PRESIDENT: Both.

Q In connection with the relief and budget problems, do you see any prospect or any necessity for any new revenue legislation this session?

THE PRESIDENT: The same answer: I do not.

Q Have you developed any further opinion on the Federal Government bearing all the cost of the flood program?

THE PRESIDENT: Yes. I think it is fair to say on that that in the past couple of months there has been a growing feeling that the states ought to be asked to bear the cost of the real estate at least. I think I talked before about some of the problems of the Federal Government in buying land: the question as to the constitutionality, for instance, of condemnation proceedings by the Federal Government, the difficulty of getting reasonable awards in condemnation. It seems far simpler to have the purchasing done by the states in regard to real estate.

I understand, for instance, in New England, the four states involved, because of the very definite insistence by the Federal Government that the law says they have to buy the land for the Connecticut River flood control, that they are beginning to get together.

Q Mr. President, would it be possible to do the actual labor with relief workers on the flood control program?

THE PRESIDENT: Depends entirely on the character. You know, most of our relief problem relates to unskilled labor and where we can use unskilled labor we are going to use it.

Q Exactly a month ago today you sent up to the Senate the nominations for the Maritime Commission. Do you not think it is about time that the Senate acted?

THE PRESIDENT: Do you expect me to comment on the Senate? You will have to ask them up there.

Q Can you tell us anything about the progress of the Railroad Retirement dispute?

THE PRESIDENT: I haven't heard a word the last four days. They are still conferring and still trying to work out something.

Q Can you tell us anything -- can you change your mind and tell us anything about your attitude on the sit-down strikes?

THE PRESIDENT: I don't think there is any news on that.

Q What do you think of the Senate's concurrent resolution on the sit-down strike?

THE PRESIDENT: What about it?

Q Do you have any comment on the policy expressed there?

THE PRESIDENT: No.

Q Is there likely to be an announcement soon on the Under Secretary of State?

THE PRESIDENT: I don't know. You will have to ask the Secretary.

Q How about the I.C.C. vacancies?

THE PRESIDENT: Gosh, I am glad you reminded me. I hadn't thought of it. (Laughter)

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #360,
Executive Offices of the White House,
April 13, 1937, 4.10 P.M.

MR. DONALDSON: All in.

THE PRESIDENT: On April seventh, I sent out a letter to the heads of all departments, independent offices and other Government agencies in effect asking them to do what I asked them to do last year, a great deal later last year, which was to cause a survey of their expenditures to be made and their requirements for the balance of the fiscal year. It says:

> " * * * * It is apparent at this time that the revenues of the Government for the present fiscal year will be materially less than the amount estimated in my budget message of last January; and, hence, the deficit will be far greater than was anticipated unless there is an immediate curtailment of expenditures.
>
> "You will carefully examine the status of appropriations for your activities with a view to making a substantial saving by eliminating or deferring all expenditures which are not absolutely necessary at this time. You will report to me through the Acting Director of the Budget not later than May 1, 1937, * * * *."

They are supposed to tell me the reduced expenditure and the amount of the estimated savings resulting therefrom. I did the same thing last year, if you will remember, but as I remember it, it was around the end of May and therefore really only affected those June expenditures, the idea being to prevent in the twelfth month of the year people obligating all of the monies they have left. This year we are doing it nearly three months before the end of the year and we therefore expect very much more substantial savings in the actual

expenditures.

Q May we have a copy of the letter, sir?

THE PRESIDENT: Steve has it for you outside.

Q Mr. President, in your Message to Congress of January fourth you asked the Judiciary to aid in making democracy successful. Have you any comment on the decision of the Supreme Court?

THE PRESIDENT: Not on the record. All I can tell you for on the record is that of course these opinions are very long and I have only read them over in a very cursory way last night. I have not had a chance to read them with any care and therefore any comment at this time must be withheld.

Off the record, and really off the record and just in the family, I have been chortling all morning, ever since I picked up the papers. I have been having a perfectly grand time and when I picked up one of the papers, the dear old Herald-Tribune, and saw the editorial entitled, "A Great Decision," I harked back, and I got Steve to do a little digging for me and he found just exactly what I thought he would find, and it is a joy. It goes back to -- what is the date of that? -- September, 1935, when a committee of very, very distinguished lawyers calling themselves The National Lawyers' Committee and operating under an organization known as The American Liberty League -- this is all off the record, what are you taking this stuff down for? (Laughter)

Q You may change your mind. (Laughter)

THE PRESIDENT: No, I won't change my mind; this is off the record.

(Continuing) -- They got a committee to make a very careful analysis of the Wagner Labor Relations Act and they concluded that it was thoroughly and completely unconstitutional. On September 21, 1935, the Herald-Tribune carried a beautiful editorial called, "Thumbs Down on the Wagner Act," citing with complete approval the unanimous opinion of the lawyers' vigilance committee, and saying that it was a splendid opinion and warning the country as to what would happen if an Act like that could possibly be found constitutional. And now, this morning, they come out with "A Great Decision." Well, I have been having more fun. (Laughter)

And I haven't read the Washington Post and I haven't got the Chicago Tribune yet. (Laughter)

Or the Boston Herald. Today is a very, very happy day.

Q Are you going to award any Ashurst medals?

THE PRESIDENT: Any Ashurst medals? Oh, wasn't that grand what he said yesterday? That was pretty cute and it was made right off the bat.

Q The Postmaster General put out a postscript to his speech in Philadelphia tonight in which he makes this observation: "The circumstance that by a single vote the Court sustained the validity of several New Deal measures furnishes no security of permanent liberalism on the high bench." Could we get back on the record far enough to say whether that represents your view?

THE PRESIDENT: I had no idea of what he was going to say but I will speak off the record and tell you what Eddie Roddan said yesterday when he got the gist of the decision. He said, "Well, we

have all been wondering about this 'No Man's Land.' We have been worrying about the future of the country as long as the 'No Man's Land' continued to exist. Well, in the last two days the 'No Man's Land' has been eliminated but see what we have in place of it: We are now in 'Roberts' Land.'"

(Laughter)

Q Was your guess as to what the decisions were going to be better than your guess about the election?

THE PRESIDENT: I never guess on the Supreme Court. (Laughter)

Q Getting back to the central question, will this have any effect on the desire for the Court Reorganization Bill you submitted?

THE PRESIDENT: Let us switch from off the record and I will give you a little bit of background, Ray (Tucker), on the assumption that I am not credited with it in any way. I will simply put it in this way as long as you do not attribute it to me. It is perfectly true, I have had a great many people in yesterday afternoon, last night and today, and they have all been asking the question. In a cursory reading of the majority opinion in the three manufacturing cases -- I am not talking about the two cases that are pretty obviously interstate commerce, one admitted and one implied, the A. P. case -- but in the three manufacturing cases, reading the majority opinion seems to limit the extension of the old doctrine to the three specific cases before the Court, and limiting them also to the one phase of interstate commerce involved, and that is collective bargaining.

Now, these people are coming in and saying to me, "Well, Mr. President, how about other things. Could we in any way tell

from these decisions whether the same extension of judicial policy would be extended to things like child labor, for example, like the reenactment of the old Child Labor Act that was held unconstitutional, or towards a law effecting minimum wages in factories manufacturing goods that go into interstate commerce, or even a law relating to the five-day week or a maximum number of hours per week?" Those are the questions that are being asked and, of course, frankly, I say to them, "Well, what do you think?" "Well," they say, "the Lord only knows!"

In other words, it is only a preliminary reading of opinion on which these people who have been talking to me feel that the reversal, or whatever you choose to call it, applies only to those three specific cases affecting collective bargaining. How far the decision will be extended to other phases of interstate commerce, again they say, "The Lord only knows."

Of course you can draw several conclusions as to what the next step is: Where do we go from here? have we any assurance, and so forth and so on. And I should say -- mind you, this is all background and not to be attributed in any way -- my guess would be that that is the feeling of the average man and woman on the street, "So far, so good, but" and then, perhaps, the old phrase, "So what?" That is about as far as we have got in twenty-four hours, "So what?"

Q You said something about the policy at the outset; you said something about extension of the old doctrine?

THE PRESIDENT: Oh, I was referring there to the language in the old

Carter Coal Case, about manufacturing, mining and agriculture being purely local issues, which were cited with approval in the Chicago case. Well, that was what we call, generically, the old doctrine and that was, insofar as these three cases were concerned, reversed in yesterday's decision.

Q That was in the first part?

THE PRESIDENT: I do not remember.

Q Mr. Green said he discussed wage and hour legislation with you?

THE PRESIDENT: We did.

Q I wonder if you are going to send a message to the Congress?

THE PRESIDENT: Just discussion, that is all.

Q South Trimble was here. Anything to say about that?

THE PRESIDENT: Just came down to say hello. He generally comes down once or twice a year to say, "Howdy."

Q The Navy received identical bids for steel on its invitations today and it reminds me of that question to the Attorney General.

THE PRESIDENT: I have not got it back yet. He said about a week ago that he would have it in two weeks.

Q Any comment on the current bids being identical?

THE PRESIDENT: I had not heard about it until you mentioned it.

Q What is the status of the Reorganization Bill?

THE PRESIDENT: Still in the hearings stage, I think. I think the Committee is still holding hearings.

Q They stopped them, I think.

THE PRESIDENT: Have they stopped them?

Q No.

Q Mr. President, can you tell us anything about the visit of the French Ambassador this morning?

THE PRESIDENT: Oh, just talked about all sorts of things; nothing in particular.

Q When does your relief message go up?

(The President did not answer.)

Q Can you tell us anything about your conversation with Mr. Edison, Mr. President?

THE PRESIDENT: That was about oil reserves. We are trying to round out some of the problems with respect to Navy oil reserves.

About the relief message, I cannot get it up this week because the Treasury won't have preliminary figures until Thursday morning and they won't have final figures until Saturday, so I cannot send it up until the beginning of the week.

Q Can you tell us anything about your conference with the Governors last Friday on relief? They conferred with you on the question of WPA. There was Governor Lehman and Governor Benson and LaFollette and all of them.

THE PRESIDENT: The easiest way to answer that is to tell you that I told them that I would do everything possible.

Q It did not look that way. (Laughter)

Q Is there any significance in the fact that your budget recast is going along with your relief recommendations? Is there any indication that there is going to be a cut in relief?

THE PRESIDENT: No, but it is only fair at this particular time to give the Congress the latest information if there has been a substitution. As you all know, there has been some change.

One or two taxes have not come in at all. The railway tax, for instance, I think they were out almost in toto. The gift tax is way down and the income tax is slightly down as of February. Whether it will be down as to the balance of the year, that we will find out on Saturday.

Q When you wrote the letter to the various departments and agencies and said that the deficit will be greater than anticipated, you meant the current fiscal year?

THE PRESIDENT: Just 1937, that is all.

Q Do you contemplate any move to define the responsibility of labor unions, such as incorporation?

THE PRESIDENT: I have not discussed it at all, with anybody.

Q Are there any new developments in the Canadian-American Waterway Treaty negotiations?

THE PRESIDENT: I don't think there is anything that has happened. I think they are still working on it.

Q Mr. President, have you any estimate -- you said if the present trend continues that the deficit will be somewhat greater than anticipated. Have you any estimate as to how much greater?

THE PRESIDENT: I won't get that until Saturday.

Q Mr. President, I met Senator Harrison as he came out of Secretary Morgenthau's office and he told me he was going ahead in a few days with the railway labor pension despite the apparent disagreement between the Treasury and the railways and the rail unions. Can you tell us anything about that?

THE PRESIDENT: How many days ago was that?

Q This was today.

THE PRESIDENT: I think they are pretty close together on it from all I have been hearing.

Q When will the relief message go?

THE PRESIDENT: I cannot tell you the exact date.

Q It won't be this week?

THE PRESIDENT: It won't be probably until Tuesday because I won't get these figures until some time on Saturday.

Q Can you tell us anything about the sit-down strike?

THE PRESIDENT: Where?

Q Anywhere? (Laughter)

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #360-A,
With Newspaper Editors and Publishers,
In the Main Diningroom of the White House,
April 15, 1937, 8.10 P.M.

(Mr. Keigler, of the Association of Newspaper Editors and Publishers, and Mr. Atwood, Secretary of the Association, introduced the members individually to the President.)

THE PRESIDENT: I am very glad to welcome what has become now, after four years, a group of old friends. I congratulate your secretary and treasurer on having a remarkable memory for names. I think probably they would make very excellent candidates for the Presidency and Vice Presidency. (Laughter)

You know, this party that we have had now -- what is this, the fifth?

Q The fourth or fifth.

THE PRESIDENT: Thank the Lord it is informal. Thank the Lord it is off the record. It is more difficult for me than the Gridiron Dinner because, at the Gridiron Dinner, I have the last word and nobody can talk back. At this party you can and do talk back. (Laughter)

I am very sorry that the principal talker-back is not here tonight, Bill White. Somebody will have to substitute for him. You know, in the Campaign, I got Bill White into a position that he has never been in before. I was sitting on top of a railroad train, on the back platform, and he was down in the crowd. I had a loud speaker and he did not. So, when we pulled into Emporia, honestly I did not know that Bill was out there. I stood out on

the back platform and after I had been duly introduced by the Democratic Chairman or someone like that, I put up my hand like that (indicating) and looked all around through the crowd and I said, "Where is Bill White?"

Of course the crowd howled with glee. I had them at a disadvantage right off. I said, "Bill is an old friend of mine. He goes back twenty-five years. And the interesting thing is that Bill agrees with me three years and a half out of every four." (Laughter) I said, "As for the other six months out of the four years --" At that moment I caught sight of Bill. I said, "There you are!" I said, "You come right up here and tell me your story. And," I said to the crowd, "now, as long as he is here, I won't tell you about him during the other six months."

Of course that was extremely unfair political advantage to take over good old William Allen White. I apologized to him afterwards but it did help me to carry Kansas. (Laughter)

I thought tonight, without in any way precluding questions here by you, I would like to ask some questions myself. I thought what we might do -- I have not got any particular statement or message or anything like that to give; I have not got anything on my chest at the present time, and if you people do want to ask questions, I hope you will. I have not prepared anything and, as I say, I do not want to put anything across. But I would like to get some of your slants in the family and off the record on some questions that have been interesting me as they have a whole lot of other people in the country and so I jotted them down on a piece of paper just before supper. I do not know who is going to answer

these and you cannot all answer at once and you have not got a chosen spokesman, I take it, unless the president is directed to speak for you.

The first question is, "Do you think that the influence of newspapers on any public question is as great today as it was twenty years ago?"

Q I will try. Paul Bellamy, of the class of 1905 of Harvard College.

THE PRESIDENT: I beat you by a year.

Q I used to see you around the campus.

It seems to me it is a matter of timing. To some of us it has seemed that way because we all, I mean you and I, have the same general objective. My father wrote a great book one time, "Looking Backward."

We are all looking toward the same thing, toward a better state of living. It seems to me that you are on the people's side on timing. It is a matter of timing. Well, the human race, we know -- the dumb people, the smart people, democrats and republicans, we know you -- we know you have the courage to carry on and that sort of thing and we love you and are for you.

Mr. President, may I say this: You are the first President I ever knew that dared to quote Aristotle. So help me God, as a Harvard man, it was a great help to me. (Laughter) I loved it and we are going to the same heaven ultimately.

It is a matter of timing. I think the present-day situation for most of the human race is damnable.

I wondered a little bit whether you were pressing a little bit too fast. I would like very much to discuss that question,

if you will (Applause)

THE PRESIDENT: I should say, offhand, that that calls for an "if" statement on my part.

Q Yes: subjunctive.

THE PRESIDENT: All human movements on the liberal side in the past, if you go back through history -- and I am now quoting Woodrow Wilson -- last only about half the length of time that the following conservative movement lasts. In other words, taking it by and large, as Wilson would say, "You have a liberal administration in Government for eight years and then a conservative lasting sixteen years. Therefore, in eight years you have to accomplish all you possibly can.

Q That is fair enough.

THE PRESIDENT: Now, during those eight years, you are constantly combatting the conservative forces and they are trying to take every kind of advantage of you and you have to take every advantage of them. Now, on the other side, you have not quite answered my question yet: Do the public pay as much attention to the press as they did twenty years ago?

Q They don't, I say frankly.

THE PRESIDENT: One reason for that is that there is not enough in my judgment of what might be called flexibility in the press. Too often in their policies they are one jump behind the game. They are writing this or they are taking the same line of policy this month that they took six months ago without realizing that in the six months there has been a perfectly tremendous change in what you and I would call background.

I think what you said and I said, fitted in together, make

a perfectly good answer.

Q They do.

THE PRESIDENT: And now the question is, "Are we moving too fast in general?"

I do not think so because we are not moving really nearly as fast as some people think. If you add up the sum of all the completed changes in national powers -- take, as a simple illustration, in the past four years -- and I say completed changes, accepted changes -- they amount to very little. Each one, as it has come up, seems to have gone pretty far. You take the changes brought about under N. R. A., for instance. For the time being they were very drastic changes, and then they were all knocked out. Now, as a result of the decisions last Monday a very small, infinitesimal part of the N. R. A. change has been restored.

Q That is right.

THE PRESIDENT: Therefore, the actual accepted, accomplished changes in national powers, using that as an example, I think have been far smaller than those people think. The only thing that has been accomplished has been in these particular decisions which, as you know, were to decide the question of collective bargaining in certain specific industries that were before the court. That is all right. One of the columnists this morning tried to lay down a rule for industrialists. He said that A, consulting his lawyer B, was told to accept as a general proposition the rule that if his industry concerns interstate

commerce more than fifty per cent, he would be subject to regulation. If it is less than fifty per cent, he won't. If he is right, it is an even smaller change than I think it is.

Q I see.

THE PRESIDENT: It is not a drop in the bucket. And, so far as going fast goes, I do not think, really, we are going fast at all, because you cannot put your finger on any large, permanent changes in Government that have occurred in the last four years that would amount to a hill of beans so far as constitutionality, policy, et cetera, go. Most of them that are still in existence are liable to be upset by any subsequent administration.

Q (Mr. Jones of the McClatchy papers in California) What you said and what Mr. Bellamy said brings two points to my mind. You asked whether or not newspapers have as much influence. I will say I do not think newspapers have as much influence. because I do not think newspapers have kept up with the times. I think the times are more progressive than editors of newspapers. On the other hand, I will say this: In 1924, Mr. McClatchy, who passed away last year and whom I succeeded, supported La Follette and Wheeler. At that time, as you know, La Follette was supposed to be a Red from Russia and Wheeler was accused of being pro-German. Well, we took all kinds of things. Nevertheless, in the Sacramento Bee that circulates, is published in the county seat, we carried Sacramento County and eight other counties for La Follette as against Coolidge, when he was supposed to be last. Now,

that is 1924. That shows that the people in our area, they were in step with the progressive newspapers. Mr. McClatchy was very liberal minded, always opposed to prohibition, was very liberal, et cetera.

Now, on the proposition, "Have the newspapers as much influence?" I do not think they have. Mr. McClatchy always was for public ownership. In Fresno, where we have a newspaper and have had it since 1922, and it is now the only newspaper there --

THE PRESIDENT (interposing): Was that Chester Rowley's old paper?

Q (Mr. Jones) Yes. His paper was established in 1860. We went in in 1922 and within, well, within ten years, the Republic called it quits and sold to us and we are now the only newspaper in Fresno. Mr. McClatchy was a very, very ardent advocate of public ownership. When he went in there, because of the efforts of the paper, the city acquired a municipal garbage collection system and purchased the city water system. Just two months ago we had an election to buy out the private power company and their own testimony showed that they had netted $400,000. a year and you could buy the power plant for within a few hundred thousand dollars of what they purchased the water plant for, which yields about $50,000. net a year. It took a two-thirds vote and we carried a hard campaign and we did not even get a one-third vote. They were against it. So that is just a little incident where you think a newspaper, very liberal, would carry it and yet, though they voted overwhelmingly to two propositions that had not nearly the merit, on this we got

only one-third vote. I just give you that for what it is worth.

Q I think a newspaper had more power in 1936 than it ever had in its history and we have to look at this from two sides. The newspaper of twenty years ago was an entirely different paper from the paper of today. The idea of a newspaper and its publication from the editorial standpoint and the make-up of a newspaper have been changed, as hundreds of other things have been changed in these twenty years. There are a very few partisan newspapers in the United States today, I mean of the old kind, where the newspaper of the days of Horace Greeley and Henry Watterson was built around editorial opinions. The newspaper was a framework for the mental attitude of the editor. After those men, we sank into the machinery of the newspaper itself so that you do not know, nor can anybody in its organization tell who writes the editorials for the newspapers. It is the voice of the paper but, in the printing of the news, I will challenge anybody in the United States to deny that in the printing of the news, including many speeches of the President -- there is no question in my mind -- and with the other side too and in the discussions -- the public was permitted to be the jury.

One reason I say the paper is a greater influence is that there are more newspapers today taken by the public and read for entertainment and news than at any time in the history of the world. At no time has there been registered such an interest by the general public in the questions of policy, of economics, political, socialistic stuff, everything of that kind that

has to do with the Government. They are much more interested than they were in murder stories or in the kind of writing they did twenty years ago when I was editor of a republican paper and it was sacrosanct. But that does not exist today. I think the newspaper today is the voice of the people and the purveyor of information to the public, and that it has more power than it ever did in its history. (Applause)

Q Mr. President, let us not kid you. I do not think it is any good. The newspaper fulfills the ideas of its owner as far as atmosphere is concerned. It will be conservative, middle of the road or liberal as it may appear to be to his interest. This is no reflection on my friend, the previous speaker. I want to know what he thinks of newspapers. But it seems to me that our principal object is to purvey news truly, and our very much longer job is to try to improve public opinion.

In the last campaign -- take Chicago. I know about that because I come from Cleveland. There were papers, except for the (Chicago) Times paper, the tabloid, all of them against you, and Cook County went with a magnificient sweep for you. When they picked up the morning paper they saw a picture of you, just a terrible picture, the lighting was bad and then they had a couple of bums under each shoulder and a couple of other things. Then there were certain cartoons. These people had looked at you, had seen you speaking and made up their minds and when they came the next morning to pick up their favorite morning paper they found a picture of you as the real picture. They knew it was not and I know damned well it was not.

I believe in truth and I believe in bellowing the truth out of the window. I think the main function of the newspaper is to tell the truth. Try to wield the opinions of men in the editorials, if you want, but the main thing is to tell the truth in the news columns.

I said I won't make a long speech and I won't. We are worried about the unionization of newspaper reporters. We really and truly realize that the newspaper business has been good to many of us. It has been good to me; I got out of life all I wanted to and more. I am worried about what will happen to class conscious reporters assigned to report news objectively, whether those reporters who have most passionately supported the labor union movement, if they are sent out to report what happens in a strike, whether they will report it truly or not. I wonder a little whether you, as Chief Magistrate, whom we elected and whom we believe in, I wonder whether you do not have to say, "Stop" to some of those people some time because we cannot have lies in our papers, else we are done. Now, I do not claim we have as much influence in our editorial columns -- the old idea was that an editor was God Almighty for learning -- but we fear greatly, we older men -- because after all, we are old -- we wonder whether this Heywood Broun class conscious crowd coming along will tell the real truth to the people. Can you give us anything to help us about that?

THE PRESIDENT: Let me tell you a story: I was having tea this afternoon with Morrison, the principal leader of the British Labor Party, a man who, if the British Labor Party came back

into power in four or five years, would probably be the Prime Minister of Great Britain. We have seen the British Empire and Great Britain survive with Ramsay MacDonald as Prime Minister and with a Chancellor of the Exchequer who brought in one of the most brilliant budgets they ever had and was very sound financially.

Morrison was telling what was experienced by our British friends. We are going through the same kind of growing pains with our labor organization that they had there twenty or twenty-five years ago. When any unorganized industry suddenly becomes organized, it has a bad time for the first five or ten or fifteen years. That is true and has been true in the history of all labor movements and it continues until they can develop through a period of years of education, until they have a series of leaders who will be able to see the whole picture instead of just the passionate picture of a new movement.

I think on this question of unionization for reporters, I think you are going to have a bad time, quite frankly, for three or four years, just like the textile industry, which has never been organized in the South, is going to have one hell of a time in the next three or four years in the process of getting organized. They will have bloodshed and everything else. As I was saying to some of the labor people yesterday, the automobile industry, organized for the first time, are a bunch, mentally, of comparatively young men. They have the mental knowledge of boys of fourteen years or fifteen years

insofar as it relates to orderly bargaining through organized labor. In the textile industry you have a bunch of people, especially in the South, who, because of a greater lack of education, quite frankly, than in the automobile plants, have a mental age of eleven or twelve when it comes to organizing a labor movement. You know your reporters better than I do. You can fix their mental age. I think you are going to go through two or three years of a good deal of trouble with the newspaper unions. They will change their leaders very often -- we are reasonably certain of that -- and gradually they will get people who have both feet on the ground all the time instead of people who have one foot off the ground all the time.

Q Right.

THE PRESIDENT: And I think that you, just like any other industry in the United States, have got to face, on the question of organization of labor, very much the same kind of conditions that every other industry has faced in the past and are facing today. They went through it in England a long time ago and now they have pretty stable methods in existence, with pretty well trained labor leaders in all of their unions. They have the vertical union and they have the craft union and, as Morrison said, "We have not completely solved the entente between the vertical and the craft unions in England yet. We have theoretical powers for each, and both types of organizations serve." They will agree to disagree and then the matter is referred to some committee, either of what they call the Federation of Labor or the C. I. O. -- I do not know what they

call it. They cannot agree and the thing is referred to somebody else, and in true British fashion it is dragged along over a period of years and eventually time solves it. We are awfully near to where we are beginning to come to that point of view. That is the best answer I can give.

When it comes down to the question of the policy staff of the paper, the true editorial end of it, I am inclined to think that frank discussion of the subject is going to make it pretty easy for you to have men in your editorial department who would be willing to stick absolutely, literally to the policy of the paper. I think the most radical of the union organizers in the newspaper game will go along with that.

Q You are right.

THE PRESIDENT: You will have exceptions that prove the rule.

Q I do not want to argue with the President of the United States -- I would not want to do that because I always have a tendency to err and he is probably right -- but let us probe that subject a littler further. The printer who can set a certain number of ems of type and a certain number of R's is a printer from Sandy Hook to the Golden Gate. But the reporter is more in the creative artist line. He really is. They cover our city details and our state legislatures and all that sort of thing and he should be, according to our ideas, objective in his presentation. If he gets class conscious too much, are we in danger there?

THE PRESIDENT: I do not think so because, after all, aren't you getting some kind of an impartial tribunal out of it that will

determine the question that is raised on either side?

Q Not if the present Guild leadership can help it.

Q I might say a word on that because I have experienced running an editorial department that is a closed shop of the American Newspaper Guild. It is the first closed shop. It is a small paper. We affiliated our editorial department with the Newspaper Guild and it is a closed shop; only members are allowed to work. We have had absolutely no trouble with our reporters, with the accuracy or faithfulness or the objectiveness of their reporting.

Q You have had none?

Q None whatsoever.

Q Did you support the New Deal?

Q We did not, editorially, no.

Q Have you had labor disturbances in your city?

Q No, sir; not recently; not the last several years.

Q Suppose you had one, would you have trouble with the Guild reporters?

Q Having had no experience, I cannot answer that.

Q Being from Flint, Michigan, you see I have difficulty standing up. (Laughter) I have just been through this whole thing. There were a couple of young newspaper men covering the strike there over a period of several weeks, and I saw the thing work and I saw the poorest reporting that I have ever encountered in my experience. Up to that time I had regarded the idea of men being connected with a guild and having that influence in the handling of the news as a sort of academic thing. I saw very decidedly the opposite. We found that during the strike there

was a greater percentage of pro-strike sentiment among the newspaper men covering the strike than there was in the factories themselves. And it entered the reporting of all the press services where it is supposed to be quite -- that point is supposed to be quite sacred. We saw this thing work.

I think the distinction has not been clearly enough drawn between unionization, because that is what the Guild is, in that field and in the ordinary labor field. These men were influenced in various ways. They sought to favor -- they were close to the strike leaders. They bought their way in with the handling of the news, the manner in which they handled the news and there were, right across the country, accounts of that strike and incidents of that strike that were very strange to us living in Flint.

I would like to go back to one point you made earlier about the liberal movement, eight years followed by a conservative movement of sixteen years. If that was not prophetic, I wonder if there would not be any thought of spreading that movement over a period of twelve years?

THE PRESIDENT: Very excellent idea, as long as somebody else does it. You are talking about reporting a strike -- (laughter) not being an experienced newspaper man, although, as you know, I ran a great paper many years ago --

Q (interposing) The Harvard Crimson, yes.

THE PRESIDENT: I had a happy thought and I passed it along to a son-in-law of mine who is running the Seattle Post-Intelligencer

I said, "John, a new strike starts about once a month. They have to have a new strike in Seattle once a month. Suppose it is a waterfront strike, which is always a messy thing." I said, "Why don't you do this in your news handling of it: put two columns side by side and send one man down to write the story of the day from the point of view of the strikers and alongside of it another fellow writing the story from the point of view of the shipowners, and put them side by side?"

There is some merit in that suggestion.

Q Did John do it?

THE PRESIDENT: He has not had a strike since he got there.

Q I come from Scranton, Pennsylvania. We have the only News Writers' Union in America. It is affiliated with the American Federation of Labor. It is a part of the International Typographical Union. We have had it for twenty years. It is not a question of the Guild and it is not a question of being absolutely independent of unionism. It is a part of the American Federation of Labor and a part of the International Typographical Union. We have had no complaint about the reporting of the news. We have a very strong union city. I think the news is objectively reported. I do not always agree with a union's side of it. The paper ofttimes is against as well as in favor of the union presentation. Our reporters -- even though when I went there I was against the idea of reporters being members of the unions, I must say in all frankness, in all candidness, the news has been objectively and

honestly presented. No matter what I may feel about it and even though I might want the situation otherwise, the fact is that this news writers' union has objectively presented the news.

Q Now that this minor matter of unionization has been disposed of, perhaps, what is your opinion as to the speed and the time with which we may follow the British experience with regard to a responsibility on unions and union leadership like that which, I think very wholesomely, lies upon the leaders and leadership of industry?

THE PRESIDENT: I should say, offhand, that the pioneers in any movement move more slowly than anyone that comes afterwards. It took a much longer time, in my judgment, to get responsibility in labor as a whole in England than it will take us. In other words, I think we are moving fairly rapidly towards responsibility. We have it today in the leaders of unions such as the Railroad Brotherhood, in a good many of the craft unions, such as the Typographical, for instance, which is a pretty responsible union. A great many unions today publish the list of their assets and their receipts and payments. It is a matter of public knowledge. And more and more of them are coming to that. I should think we are moving pretty fast toward that idea.

Q I should have been more specific. I meant a legal responsibility, a responsibility which would make unions responsible under the law to the Government, under the supervision of the Government, as the Wagner --

THE PRESIDENT (interposing): It is the same thing. If you have followed the British law, there are certain responsibilities which we will copy more or less in the next few years. It is not complete legal responsibility but at least it is partial.

Q Before we leave that question I would like to ask you and Mr. Bellamy, since he refers to the possibility of a class conscious reporter, isn't it true -- and I am not saying one way or the other myself -- isn't it true that the reporter has always been class conscious? Hasn't he always reported labor troubles from the standpoint of the employer? Isn't that the fact in the average size city, up to at least 250,000, that even the news of a strike has been frequently overlooked because the public would like to have it that way?

Q (Mr. Bellamy) Are you asking me that question?

Q Yes.

Q (Mr. Bellamy) Mr. President, I say the answer is yes. It has been disgracefully discolored on the side of the employer many, many times but that does not affect me very much as far as my objective is concerned. I think truth, absolute truth, is the thing we should demand from our reporters.

Since again I am presuming on the President's time, I want to avail myself of the floor to switch the subject, immediately, to another. It is the question of people on relief in Cleveland, Ohio. Now, it is not a matter of race and color. Our problem there is very largely the niggers. There are some of those buck niggers sitting on their fannies that will never go to work unless we force them to. The State

Administration there, a democratic State Administration -- that is easily accounted for because, after all, if anybody carried the country, and I voted for you, with as much a majority as you did, there were a lot of others that went across -- (Laughter)

THE PRESIDENT: Paul (Mr. Bellamy) you are getting into politics.

Q (Mr. Bellamy) -- and our Governor was one. But, nevertheless, we are all right. I have five dollars and a clean shirt and that is not much at that because, if the taxes go on much further -- (Laughter)

What do we do to get those people in the frame of mind to go to work again? Because, really, I am terribly worried about it. Last night, coming down on the train, I had a long talk with a chap named Crawford (?), head of the Thompson Products Company, which makes valves for automobiles and airplanes, and I regret to say -- I should not regret to say, in fact I am proud to say -- he is a Harvard man too. He quoted to me from memory some of the recent translations from the Greek, how they built the Acropolis and then after it everybody was on the dole and there was hell to pay and then ultimately the barbarians came. Now, what do you do about that?

THE PRESIDENT: I will come back and answer him in just one question: What have you done with the local relief authorities to take that buck nigger?

Q We have done our utmost. We filled our paper full of investigations and surveys and showed that twenty-five per cent of them don't have any business there.

THE PRESIDENT: What are they on the dole, on state relief or public works?

Q State relief.

THE PRESIDENT: Well, of course, that is the thing. Now you are getting into politics.

Q (Mr. Bellamy) It comes back to the whole theory.

Q There again, and being a Yale man I don't know what the devil you fellows are talking about.

Q (Mr. Bellamy) You never will.

Q I would like to ask on that point, thinking it over as I sat here, I asked, "What is the measure of the influence of a newspaper or an individual everywhere and anywhere where the subject matter broadly is one that concerns what all the people would like to do?" If you take a big group of kids and placate them by saying, "Let us all go to the movies and let us all have a bag of candy," they will all say, "Great; hurrah." The real test is when you tell them something that don't set so good. It might be, "Let us all take a dose of castor oil." The newspaper that can put that thing in or the individual that can put that thing in is exercising real influence, in my opinion.

THE PRESIDENT: If! I am saying, "If" on that because I want to point out a certain inconsistency. I made a checkup last spring on maybe half a dozen papers, all of which were saying editorially every third day, "For God's sake balance the Budget." Well, they were just harping twice a week or three times a week, "For God's sake balance the Budget." Well, they would be a little more specific than that. They would say,

"Look at all these Federal handouts; they are doing this, that and the other thing."

Those same papers, in their own cities, were the first people to come out with editorials saying, "We need a new stadium, by God, and why doesn't Washington give us a new stadium?"

Q That is so.

THE PRESIDENT: Now, that is really the fact. Oh, heavens, this is not universal or general or anything else. If you check it you will find as a matter of policy the majority of papers that have been talking about Federal spending, the crime of Federal spending and the desirability of the Federal Government pulling in its horns and balancing the Budget and cutting down all the emergency expenditures, when it comes to some local question, they are the first people to come out and demand Federal spending in their own city.

Q That is true.

THE PRESIDENT: That really is true. That is one reason.

Q That is true, but you see, Mr. President, it comes down to this, that ultimately all the main tasks are laid in your lap because you are the President, and we get caught up in the effluvia of the time. We say, "There is a lot of loose Federal money and we should have a new sewage disposal plant in Cleveland," and if Mr. Roosevelt had stood up and said, "No, it will mean the unbalancing of the Budget," in that loud stentorian tone, then we would not have done that.

THE PRESIDENT: What I just talked about, it really has an effect

on the average man on the street, the taxi driver, et cetera. They are awfully quick to catch on to the paper that says, "stop spending" one day and "give us this" the next day.

Q I am from Providence, Mr. President. The Government has a responsibility there, Mr. President. We conducted a campaign against expenditures, to the effect that we never heard one word about our economy.

THE PRESIDENT: What did you ask for, for Providence?

Q We did not ask for anything.

THE PRESIDENT: You are marvelous; you deserve a decoration.

Now, right along on that question of the news end tied in with the editorial end -- this is a thing that does not apply to the papers, the great bulk, I would say ninety per cent of the papers in America -- but you and I know the large number of exceptions who, in their Washington stories or their Albany stories, where they have special men, you and I know that in instance after instance the man in the bureau gets word from the home office that they want a story along such and such lines.

Q Amen.

THE PRESIDENT: We don't have to kid ourselves about that because I know too much about it in this city.

Q It works the other way.

THE PRESIDENT: I do not care whether it is pro-Administration or anti-Administration.

Q It also works the other way: Very frequently you will find the home offices counseling their bureaus to keep in the middle of the road.

THE PRESIDENT: That is true if they start off on a personal tangent. But again, I know an awful lot of readers and they object to what I frankly think -- and I think I said this last year when we were all gathered here -- has been the tendency over the last ten years -- it is not anything recent, it is not the last four years, it existed before that -- to issue an order from the home office, or perhaps not order it but to convey it so that the fellow in the state capital or the National Capital thinks that it is good ball to give a certain color to his special story.

Q That is right.

THE PRESIDENT: And I think the man on the street does know. In those cases what I am talking about applies to only ten per cent of the newspapers in the United States.

Q Mr. President, I represent the Philadelphia Ledger. Mr. President, it seems to me that there is less and less of coloration as time goes on. Now, there are a certain number of very bad examples on both sides but it seems to me there is less partisanship in a purely political story or in a policy story now than there has been at any time since I have been in the business.

THE PRESIDENT: I think that is true of ninety per cent of the papers.

Q We are getting away from that very steadily. That, I think, was just the embryonic stage and we are trying to get away from it.

Q Considering the circulation and advertising objective of newspapers, it is inevitably true that newspapers should, during all conservative periods, look ahead of the Government and, during all periods of innovation, be a shirttail behind the Government. I think it is a good thing. You have the press

organized on that basis. The press lives on advertising and yet must seek circulation. It has to reconcile those conflicting interests, always.

THE PRESIDENT: When you pick up the question of advertising, it is true that we do have to think about retaining the advertisers.

Q And the circulation.

THE PRESIDENT: But there again -- well, I will cite an example: A good many years ago the State of New York, long before I was Governor, we were trying to get through, some of us, a bill for the sanitary regulation of department stores. And we assumed that we would have, because they had been very much in favor of the sanitary inspection of factories, we assumed we would get the strong editorial support of one of the New York papers. Very much to our amazement, they came out against the proposed legislation. So I went to see the business manager. I said, "What has happened to you all of a sudden?" He said, "Don't tell anybody; can't you guess?" I said, "I am afraid I can; it is the advertising." He said, "Of course it is the advertising." Of course that is bound to happen. Again it is human nature.

Q It does not influence us any more than the necessity of getting circulation. We must get the confidence and the numbers of a wide reading public. We must reconcile the two.

We are not an initiating force anyhow. The press of the United States would never lead a basic national reform. We would be always critical of one who does but, on the other hand, we would be critical of one who retards the reform fprces.

I think there is something in that thing.

Q Wouldn't you just as soon tell us something about the Supreme Court issue? I know that is an interesting subject.

THE PRESIDENT: I will talk the way I talked to the Press Conference.

Q Better than that, more frankly.

THE PRESIDENT: I was perfectly frank with them. For example, if you go back on the Supreme Court thing, there have been an awful lot of people in a great many papers who, ever since my Message of February fifth, have stated, baldly and bluntly, that one reason for adding judges to the Supreme Court, with this over seventy, like it is in the lower courts, was that I had said that their calendar was crowded and they were behind in their work. Now, people who appear before the Senate Committee quote me that way. Of course I never said anything like that in my life. I never suggested it for a moment. They are absolutely up with their calendar. I will tell you a story that illustrates it: When I was a practising lawyer in New York in 1907, I used to have occasional police court clients, people who had been disorderly at two o'clock in the morning in Times Square, and they generally would be taken by the police to the old Jefferson Market Court. There was an old fellow down there, an old Tammany magistrate, who was a law to himself -- there was no supervision over magistrates in those days -- and he had a rule that, by God, he was going to close his court at one P. M. every day.

Well, if I had a Harvard friend to defend on a Tuesday morning, that was all right. There would be only twenty cases before the old judge and he had from ten to one to dispose of

his twenty cases. My client would get heard; he would get heard and he would get a fair deal from the court. But, if my client happened to have been picked up on a Saturday night or a Sunday night and had to appear in Monday morning court before the same old judge, there would be 220 cases. But he had his rule about one P. M. and he would run those 220 cases through his court without hearing the defendant. It was ten dollars or ten days. And they were all tried. His calendar was not crowded on Mondays any more than it was on Tuesdays. He was always up with his work.

But what I did say and what is perfectly true -- ask any lawyer who has had any Supreme Court practise whether they are satisfied with the fact that only twelve per cent of the applications and petitions for certiorari are granted and eighty-eight per cent are turned down. That is all that I said, but it was plenty. Now, that is the background on the thing, so as to get started on the right foot.

Q Now, here we are. I spent thirty years or more trying to build up a business. I worked like the devil ten, eighteen, twenty hours a day and put my heart and soul into it. And now, here come these boys and say, "Just because you have done pretty well, doing that, is no sign we have to. We will get a law for ourselves called the Wagner Act, which will give everything to labor and will tie your hands by your side," so that they can come up and sock me in the face. It seems to me that maybe that Wagner law, which does not allow the employer to call for an election to determine which group in his plant wants to have

a vote as to who should represent the employees in collective bargaining, is wrong. We wonder what your view is on that, whether it is quite fair. It seems to me that the deck was just a little stacked on the side of labor.

THE PRESIDENT: I have not got the law before me so I cannot answer it intelligently.

Q The union may ask for a vote but the employer may not.

THE PRESIDENT: As I remember it, the National Labor Relations Board has discretion on the application of anybody.

Q I think it was in the law.

THE PRESIDENT: I think so. I think any employee and I think any employer, and in practice -- there is the thing. We have never had any actual practice on it. I am inclined to think the law should be liberally interpreted so that if there is any particular demand for a determination of what the majority desires, that determination should be had. It does not have to be an election, as you know.

Q That is fair.

Q I think one of the things that interests the gentlemen here very much is the problem of economy, which you mentioned and which I believe, and I imagine they believe, is very much in your mind as administrator. I think if you could say a word to these men here, who have some influence, even though they may not have much, on what you have in mind in the program there, we would be, all of us, interested in it. I know I would. And, if we could be helpful -- I think on that program there is not a man here who would not want to be constructively

helpful in a job which seems to be a difficult job, even for you.

THE PRESIDENT: Right on that, as you know, I have had quite a number of editors and owners who have pleaded for an immediate balancing of the budget. I have had them down to the White House from time to time. I have said to them, "Look, there is the old budget. It is perfectly simple here in this summary table. How would you balance it?" Nine out of ten would say, "Hell, that is not my business." I never send for Eugene Meyer because he knows too damned much about it.

Q That is right.

THE PRESIDENT: He knows Federal financing probably much better than I do. He has had experience with it for many years.

The situation is, at the present time, I think, a comparatively simple one and, without giving the actual figures of next week's Message to the Congress, I can tell you the gist of the situation. We estimated last January -- these, of course, are rough figures, that at the end of this fiscal year we would have cut the actual deficit from around four billion something to about two billion one (hundred million dollars). For the next fiscal year we estimated that -- not counting debt retirement, which I call technical bookkeeping and not layman's bookkeeping -- on actual income and outgo we would have a balanced budget if we could keep the relief expenditures for the coming year to a billion and a half.

Now, since the January estimate, we have had the practical experience of the March fifteenth income tax collections and, for

certain causes which we are not able to analyze at the present time, they show a falling off, on the basis of the March fifteenth receipts on income taxes, $250,000,000. less than we expected. Therefore that $250,000,000. would have to be added to the $2,100,000,000. estimated for this current year. In addition to that, there are certain taxes which are held up in the court -- the so-called recovery of taxes, the windfall taxes, those have been tied up in the court -- and I think we have only about $10,000,000. instead of the $90,000,000. we expected. The railroad retirement taxes have also been held up by the court and instead of getting in $110,000,000., the time has been extended from time to time by Act of Congress and nothing has come in. The result is that there will be, in this fiscal year, there will be an increase in the deficit of, I would say, roughly, five to six hundred million dollars. However, that will be offset to a certain extent by savings in the actual expenditures of the Treasury which we have already made and which we are going to make during the balance of this year. As you know, the average Government department is not run in even twelfths. Roughly -- I am talking about the average now -- during the first ten months of the year the average department is run on about one-fifteenth of the annual appropriation, therefore in May and June there is left over a good deal more than two-twelfths for those two months. What we are trying to do is to save the bulk of those withheld expenditures and keep them from being spent or obligated during the balance of the year. That money would revert to the

Treasury. Therefore that saving may run to two hundred or two hundred and fifty million dollars in actual outgo. So actually the net deficit -- don't anybody use these figures -- will run $250,000,000., from $2,100,000,000. to $2,350,000,000.

For the next fiscal year, on the basis of tax receipts in March, which are not necessarily reliable because we may make a pickup for various reasons in the coming three fiscal periods, June and September and November, whatever it is -- but based on the March receipts for the coming fiscal year, the Government will probably be, instead of even, with a balanced budget, somewhere around $450,000,000. in the hole. That can probably be saved by failure to spend appropriations and, therefore, the outlook for the coming fiscal year, with a qualification that I will mention later, is for a substantially balanced budget.

Well, whereas two years ago we were running a deficit of $4,000,000,000., next year we will come down to a substantially balanced budget, maybe $100,000,000. out or maybe in the black. But it will be pretty well substantially balanced. That, I think, is a pretty good record.

And the one qualification we have to make is that the Congress will not run wild and start all kinds of new expenditures. One bill that seems to have a very strong support calls for expenditures of $100,000,000. the first year and about $300,000,000 a year from that time on. If, at this time, we undertake to get a good many Federal handouts for states, we are lost and the Administration is opposed to starting these new things.

On the totals of receipts and expenditures over a period of years, four years, it seems to be perfectly clear that necessary things, things we regard as necessary, will cost about in the neighborhood of $7,000,000,000. a year to run the Government and the tax receipts next year ought to be very substantially about $7,000,000,000. So that, for the fiscal year 1939, we ought to be definitely in the black and start paying down on the debt. Does that cover it, Gene?

Q (Mr. Eugene Meyer) It is very hopeful, Mr. President.

Q While we are trying to balance the budget, I find it is still necessary to give considerable attention, perhaps, to unemployment. I hear this question in a good many parts of the country: One year and two years ago we heard that the engineering was not ready for public works, and now it would seem that there must be a considerable accumulation of engineering for public works. As we go along would it be or would it not be in the part of wisdom to switch over and put part of the money in what might be called useful and lasting public works rather than in other things which would not be so lasting. In other words, the engineering being ready, shouldn't we use more of that kind?

THE PRESIDENT: Your question is based on an assumption that an engineered public works is more useful than one that does not take much engineering; in other words, that a bridge over a river is more useful than terracing a thousand acres of land. Well, that is a question. You have something that is much more visible but I doubt very much, in the long run, whether a bridge over the river, costing the same amount, is more useful to the

country than terracing a thousand acres of land to keep the country from eroding.

Q If it was possible to prepare this engineering and if there was an accumulation, should not we try to use it as much as you can?

THE PRESIDENT: No, because then you come up against the problem of unemployment rolls. At the present time and, incidentally, during the past year we have reduced the people on work relief from 3,400,000 to 2,200,000. In other words, we have taken 1,200,000 people off the work relief rolls. Who are the 2,200,000 people left? During the past year especially, almost all of the skilled and semi-skilled workers have been taken from the relief rolls. Almost all the people on the relief rolls over eighteen and under forty have been given private employment. The result is that today the 2,200,000 people left consist, somewhere around between 80 and 85% of unskilled laborers. Furthermore, a very much larger percentage than last year consists of people over forty years of age. Many of them are over fifty, fifty-five and sixty. They have not yet come to the 65-year age in which they get the old age pensions. So that what might be called, from the point of view of useful work, the cream of the unemployment rolls has been skimmed off and we are left with people who are not fitted to build bridges and permanent buildings, like city halls and large schoolhouses and things like that. They are not fitted to do that kind of work. Therefore, we are confronted with the alternative either of putting them on the dole -- we have our thoughts very firmly set against that -- or of giving them work

they can do. In the case of people in the country, in small towns where they can get out into the country, it is a pretty simple thing to find useful work for them. If we put them, for instance, on the side of a hill and terrace it, or put a lot of little bands on farms in the more eroded regions, it is not very showy but, in the long run, over the country, it probably does as much permanent good as if they were building schoolhouses and bridges.

In the cities it is a much more difficult problem to find useful work for them. A great many of the parks have been cleaned up and what we are looking around for right along is something that the unskilled people and older people can be put to work on. We have not solved that end of it, from the point of view of the city workers.

Q May I say a word there in relation to something Mr. Bellamy said? I think some of the editorial comment in newspapers, from time to time, results from the local demand on the part of P. W. A. officials and others to try to get something done, to find work. Perhaps there is a mistaken understanding on the part of local newspapers and other interpreters but the idea is that when they are boosting something of this sort, they do not go into all of the situation as you have outlined it here because that is not generally understood. The thought is that when they are constructing or advocating the construction of a bridge or reservoir, you are getting back something on that, but they do not carry it to the point that you have just carried it to, which I think is important.

THE PRESIDENT: Then there is another thing. You get letters to the editors that say it is terrible to have all these people on W. P. A. that won't take private jobs. We have a whole small room of people at work answering those letters and checking up on them and about -- well, out of a hundred complaints that we get in about 80% of them fail to specify any case, any names when you ask them who it is that has refused to work on a private job. He generally comes back and says, "Well, somebody told me so."

The other 20%, where they do give us specific cases, it turns out that the man or woman on W. P. A., especially the woman on W. P. A., has been offered a job at what I call "starvation pay." Now, right in the City of New York there have been hundreds of applications for servants, servant girls especially, by the family that keeps just one girl. They come to W. P. A. headquarters and say, "I want a girl, a general servant. Have you got anybody?" "Sure, we have lots of them. Take your pick. How much do you pay?" "Well, six dollars a week."

We don't ask the girls to leave W. P. A. to take a job as a general household servant at six dollars a week in New York City.

Q Right.

THE PRESIDENT: And the more you check up on it, the more you find that all of these stories about not taking work, when you come down to the actual case itself, does not amount to more than one out of a thousand complaints where there is any chiseling.

We did have, a year ago, a trouble that we corrected in large part, although not entirely, and that was the refusal of W. P. A. workers to leave because if they left and took a good job they were afraid that if it ended at the end of thirty days, they would not get back on W. P. A. That is being pretty well straightened out.

Q There is that concern all the time.

THE PRESIDENT: The reason for it is this: We have, what did I say, 2,200,000 on W. P. A. at the present time. In addition to those, there are about 400,000 people who, today, are getting home relief but ought to get work relief. We haven't enough money to give them all work relief. Therefore, there is, in the larger communities, a waiting list of people waiting to get off home relief and to get on work relief and it has been a very difficult thing to determine the human equation. Here is a fellow on home relief who has been there a whole year and he is at the top of the list for the first W. P. A. vacancy. In comes a man who was on W. P. A. up to a month ago; he went into private employment and then was thrown out of work by the private employer. Should he go back on work relief ahead of the fellow at the top of the list or should he go back on home relief? That is a very hard point to decide. You see, we have these problems on the administrative end. We have not enough money to do it and we want next year to give everybody work relief that ought to have it.

Q If I might turn your attention to the foreign policy -- and, may I say, my policy if I were president, which, thank God, I am not,

because I do not envy you the stars and stripes and all that --

THE PRESIDENT (interposing): I will swap with you in 1941. (Laughter)

Q About foreign policy, which would be easier, to make an offensive and defensive alliance with Great Britain and France and guarantee a Pax Romana which would stop that, or what is your idea of the sort of neutrality setup which you think would be wise?

THE PRESIDENT: On your suggestion of that, I will tell you what I will do: I will make that the policy of the United States if you will give me a majority of the Senate of the United States.

Q I will work on it tomorrow. (Laughter)

Q I am neither a Harvard nor a Yale man but one who does not consider his life blighted by that negative fact.

I want to ask a question that I think holds the most ominous possibilities. Politics being what it is and human nature being what it is and the record of Congress on pensions since the Civil War being what it is, is there any limit to the point to which this country will go, let us say in the next decade, with military pensions and with old age pensions, and isn't the Government in for a permanent increase in its expenditures by billions of dollars for that purpose?

THE PRESIDENT: I think you have to separate that into two answers. First, as regards social insurance of all kinds, if I have anything to say about it, it will always be contributed, and I prefer it to be contributed, both on the part of the employer and the employee, on a sound actuarial basis. It means no money out of the Treasury. It means the employer has got to pay some and the employee some. If the employer pays some of it,

obviously in 9,999 cases out of 10,000 it will be passed on in the cost of the goods sold. In other words, it is not going to break the employers and it is not going to break the employees. On the question, Is it going to break the Government? the answer is, No.

In regard to military pensions, you know as much about that as I do. I tried to prevent the payment of the bonus. It was passed over my veto. When there will be another effort to help the World War veterans on the ground that they are pretty old men, your guess is as good as mine. All we can do to stop that, the better it is.

Q Aren't there millions of people in this country who will demand an outright payment from the Treasury by way of a pension and will never be willing to accept a contribution scheme? As a matter of fact, it would be difficult to establish a scheme for all the people in this country, such as farm laborers and many others.

Q Has Congress ever voted against pensions? Will it ever vote against it in the future?

THE PRESIDENT: Yes, I will tell you why. You will get an example every day of what is happening to nations that are quickly going broke and before we get to that danger point, we will see certain nations smashing up, as we know definitely, to go back to your foreign question. For the last four years, every responsible statesman in Europe, including the Germans, has said that Germany would last only six months longer, and the question is still, "Is it six months longer or not?" We know their expenditures are so

greatly exceeding their income every year that they are headed for bankruptcy. The same thing is true of Italy and the same thing of France and, since the rearmament program commenced, they are running towards unbalanced budgets and we are coming down to a balanced budget. There are a great many people on both sides who are going to have something to say about busted governments. I think there is a good deal of sense in that.

Q Your man from Michigan rather hesitated to inject himself in the Yale-Harvard forum but he is still a part of the Union.

THE PRESIDENT: You are all right but there is somebody here from Vermont tonight.

Q I hope he has a passport. (Laughter)

Q We have had an epidemic of sit-down strikes and we still have an epidemic of smaller sit-down strikes at present. In your introductory remarks you said something about the inflexible character of editorial opinion. Don't you think it would have been helpful if there had been an expression from you as to the sit-down strike? Would you like to inform us on that?

THE PRESIDENT: Yes. A great many years ago -- and this applies to what I said about dealing with a people who have a mental attitude or experience that is fourteen or fifteen years old -- a great many years ago I took a class of boys of the age of fourteen or fifteen years and the first day in class -- I had never taught a class before -- these boys started raising Cain with me and I stood up behind the desk and I said, "Don't do that!" and to the next fellow, "Stand up in the corner," and to the next fellow who stuck a pin into the gentleman in front of him, I gave two demerits. Well, I did not get order in that classroom and

for two or three days that class raised perfect Cain with me. The headmaster got onto it and he sent for me and he said, "You are pretty young in the game." He said, "When you go back in the class, take a pen or pencil and when they start throwing spitballs or sticking pins into each other, let them see you see them and jot down a name. When class is over, send for them one by one and say, 'Listen, son, you are trying to get into college. I don't give a continental damn whether you get into college or not. I am here to help you get into college, if you want to get into college. I don't mind your throwing spitballs but there are a lot of other boys in the class who want to get into college and your throwing spitballs is keeping them from achieving what is their ambition.' Reason with them and teach them, one by one, why they are hurting themselves and not you by raising Cain in the class."

Well, I tried it out and after a week of it I had the most orderly class in school because it was order based on a knowledge of the consequences, a knowledge of what it would do to them and a knowledge of what it would do to their fellow students. I never had any trouble after that.

Is the allegory sound? Incidentally, they are beginning to realize in an organization like the Automobile Workers, who have an experienced mentality of a fourteen or fifteen year-old, they are beginning to realize two things: first, that what they are doing is illegal -- no question about that. They say to themselves, "It is a misdemeanor," and they have been told by their representatives that that is not nearly as serious an offense

as what some of the lawyers have been doing ever since the Wagner Labor Relations Act went through. They have been receiving from the Chamber of Commerce of the United States, the National Manufacturers' Association and Liberty League lawyers' pamphlets saying, "This Act is unconstitutional. Disregard it." Disregard a Federal statute! The boys have been told that out in Michigan, they have been told it is not nearly as serious to trespass on somebody's property -- that is a misdemeanor -- as it is to violate a Federal statute.

You see what they have been taught; they have been taught the wrong thing. However, they are beginning to realize that a misdemeanor is a wrong thing and they are beginning to realize that sit-down strikes are damned unpopular and finally they will realize that labor cannot get very far if it makes itself unpopular with the bulk of the population of the country.

It will take some time, perhaps two years, but that is a short time in the life of a nation and the education of a nation.

Q Mr. President, you have more or less answered my point. I am from Oakland, which is the birthplace of the sit-down strike. We had our first in 1933. We have subjected ourselves to criticism because we demonstrated no leadership in contesting the sit-down strike situation.

As a matter of fact, we learned this: We are in a changing world and we are going through a social and economic revolution. These men are employing the weapons they have at their command. We are finding, as time goes on, that when they indulge in excesses they prove to be exceedingly unpopular. In my opinion,

the newspaper editors and the business men want to bring about a solution of this problem over night. We are an impatient people. We don't like to temporize with these problems. We want to use a new law rather quickly. I don't think we want that done.

We have been the testing ground for C. I. O. in this country. We have been through it from start to finish and I think that out of it, when it is all done, that all sides will have learned a lesson.

THE PRESIDENT: Both have made mistakes but out of it we are going to find some basis for compromise when both sides find that excesses don't pay and policies engaged in by both sides don't pay. Out of that we are going to get a workable system but we won't get it by antagonism and threats and demands. It must be learned only by experience and we have to go through that experience before we find a satisfactory solution. I think I have been as close to it as any man in this country.

Q In your estimate for a virtually balanced budget, will any part of it be represented by income of social security tax collections over social security costs?

THE PRESIDENT: Frankly, I do not know; I think, yes. As I remember it -- Gene (Mr. Meyer), do you remember the answer to that? My memory is that the estimated receipts are somewhere around $600,000,000. and the payments about $500,000,000.

Q (Mr. Meyer) I am not familiar with the estimates for next year.

THE PRESIDENT: It is something like that and then, of course, if the reserves build up in the course of the next few years, it will be perfectly all right to change the law. The law is still at

the present time -- it calls for an unwieldy and unnecessary reserve such as any insurance company would maintain.

Q May I ask a question? Most of us here employ these people who are our Washington correspondents. By and large, do you think we send the right people here? Do we have a good bunch?

THE PRESIDENT: A perfectly grand bunch, absolutely without question. I think there is one thing that goes out of Washington that is probably a mistake from the ultimate point of policy and that is the gossip news column. That service is just pure gossip because the percentage of error in those gossip columns -- I am not talking about the serious columns, like dear old Mark Sullivan, et cetera, people like Paul Mallon -- let us be quite frank -- I think the percentage of absolute manufactured error runs as high -- I checked it for a month -- runs as high as forty per cent. That is pretty damned high.

Q Even the field artillery is less than that.

THE PRESIDENT: I do not think that is going to help in the long run. But of course all the other men, they are absolutely grand. I kid them and they kid me. We get along absolutely beautifully.

Q Have the figures revealed by the first quarter in the tax returns developed anything that would enable us to say anything as to the possibility of a change in the undivided profit tax situation?

THE PRESIDENT: Generally, the opinion on the Hill, in the Treasury and in the White House is no change this year because the Congress has a very enormous mass of material and they will be damned lucky if they get through by August. If we started any amendments to existing tax laws, I do not know when Congress will go home and I think Congress feels the same way.

Q Would that cover capital gains also?

THE PRESIDENT: Yes.

Q Mr. President, I heard a little while ago that you might be tempted to say a little more about the court matter?

THE PRESIDENT: Well, of course you know the particular method was arrived at by a process of elimination. I felt, after a very careful review of the whole thing over a period of two months or more, that we really did need those additional judges on the lower courts, on the Circuit Court and in the Supreme Court. In the case of the Supreme Court, there has been a good deal of talk about having more than nine judges. Just take the question of certiorari alone.

It is possible that if we have -- this is not derogatory to age but it is a practical fact which we all know in talking about the age of people -- if we have a Supreme Court that averages sixty years of age instead of over seventy, they would be capable of a greater and more sustained effort in turning out work than the present members of the Supreme Court. That is perfectly obvious. Now, whether nine of them of, let us say, the average age of sixty, could adequately cover all the cases that come before them is a question of doubt.

There has been a great deal of feeling that if what might be called modern business methods were put into the Supreme Court -- and a number of judges in the past have been prone to approve of this suggestion -- if you had, let us say, five of them at all times working on certiorari and the other ten sitting on the bench and hearing cases -- I am not talking about

the major cases involving constitutionality, where you would probably want all fifteen to sit but the run-of-mine of cases -- a decision by, say ten judges who were doing the sitting for the moment would be entirely satisfactory from the point of view of a proper interpretation of the law. You would have five of them, at the same time, working on certiorari. That is one of the suggested changes in the mechanics of the court.

This particular measure does not, by any change or necessity, call for fifteen members of the Supreme Court. You cannot tell how many would retire but there is nothing fundamentally terrible in having fifteen, if it should go to fifteen. It might be possible, through revamping the business methods of the court, to get a better determination of all of these certiorari cases, where there is a great deal of complaint on the part of lawyers that they are simply turned down and not heard, and without any opinion.

Q Hasn't it always been your experience as a lawyer that the lawyers complain that there is a lack of business that gives them compensation?

THE PRESIDENT: I think there will always be the same number of cases that go to the Supreme Court.

There is one more question we had down here, because we have covered most of these on which I would like to get your slant, that is a subject that, of course, is to a certain extent before the Congress and before the people and before everybody else. That is the ownership of news broadcasting by newspapers. That is a subject, frankly, that is going to come up and I would like very much to have your slant on it.

A very large percentage of the applications for change of ownership of radio stations at the present time before the Communications Commission are for the purchase of otherwise owned stations by newspapers. There is a good deal of feeling that there should not be dual ownership and there are a great many reasons advanced for it. One of the principal reasons that you hear on the Hill because, of course, the Congress, the House of Representatives especially, the majority of the membership represent Congressional districts that do not have any very large metropolitan papers in them. They represent districts that are either almost wholly rural districts, with quite small papers, or districts that have one city of a hundred or two hundred thousand people, where the newspaper is not a very rich paper and therefore cannot afford to raise the capital to buy a radio station. The feeling of these people on the Hill, and I take it they get support from their local newspaper ownership, is that the ownership of radio news broadcasting by newspapers will, almost inevitably, tend to put the ownership in the hands of a comparatively small number of papers.

What is your slant on that?

Q Let me speak as a man from one of those very small rural districts, who is not considering purchasing a radio station. One reason for that is that I doubt very much if our district could support a radio station, as costs are now, as I understand it. I started to look into it because it seemed to be something that might at once be competition to a newspaper and also that might work with a newspaper. Let me make a comparison between two newspapers in

one town. Sometimes the town is big enough to support two newspapers if there is a capital investment in only one plant, where it could not support two papers decently put out from two plants.

To a certain extent -- to a lesser degree because the plants are different -- it would seem that a newspaper and a radio station could be complementary and so I started looking into it from that angle. I found that I did not believe we could afford one. But it seemed to me from that little investigation that there might be fewer radio stations and newspapers by a great many because of the matter of the limited number of wave lengths. Because of that limited number of wave lengths your radio stations, naturally located in larger market areas where they can reach a big enough population so they can sell advertising, will make money and live.

It does not seem to me a question of whether small newspapers are opposed to big newspapers owning radio stations. I do not think most of them care. It does not matter one way or the other.

I do not see why a majority of the members of Congress from rural areas should care whether the radio stations in other districts are owned by newspapers or are not owned by newspapers. The broadcasts come into their districts just as the circularization of the big city newspapers come into rural areas where the small papers also get their circularization. In that way there does not seem to me to be any siding of small newspapers against big newspapers.

I think probably one reason why the newspapers apply for ownership is perhaps that they are more capable of satisfactorily conducting radio stations.

THE PRESIDENT: How about the combination of advertising rates?

Q I do not know much about that but my impression is that the trend is away from combinations -- that it does not work out as satisfactorily. As far as the handling of news and other matters over the radio stations is concerned, where men from the newspaper organizations control them they benefit by these ideas of truth in news which, of course, has developed since the days of the journalist whose idea of the truth was what he thought and anybody who differed was a damned liar. They will also benefit because of the fact that they are accustomed to handle the advertising on a businesslike basis. Newspapers have found that is necessary, that there are various cut-rate practises, such as indulged in by some merchants on side streets, that do not pay as well as the one-price methods of your department stores on the main streets. I think that is one reason why you find that combination of newspapers and radios in your larger areas and I don't see why the small papers and the Representatives on the Hill from the rural areas should oppose it on the grounds on which you seem to have heard reports.

Q I own a radio station and we do not combine our advertising on the newspaper with the radio. It does not work. I do not see any reason why owning a newspaper should disqualify me from owning a radio station unless there be some theory that political bias in my newspaper columns might result in bias with respect to my broadcasts. But, under the rules and regulations of the radio commission, you cannot put your bias on the air. You give all sides the same opportunity.

I think newspapers are equipped in a business way to handle radio stations better than anybody else and I think the Radio Commission would support that generally. Why a newspaper man should be disqualified from owning a radio station, I do not see.

Q A radio station owned by a newspaper is much more likely to be influenced in what it puts on the air than a purely commercial station because the ownership of that station is interested in the newspaper and, assuming the newspaper is honorable, it protects its newspaper reputation in what goes out over the air.

As the gentleman says, I do not know of any newspaper that owns a radio station that has a combination rate. That would be as bad business for the radio as it would be for the newspaper. It would encourage the advertising to get out of the newspaper and into the air. The newspaper-owned station is much more likely to stick to reporting facts accurately. Every distortion of news broadcast that I know of has been broadcast by a strictly commercial station, whose men have had no newspaper background, no regard for truth but only a desire to create a sensation.

THE PRESIDENT: I think that has been found true.

Q I represent a newspaper in a city of a hundred thousand. It seems to me that the question of responsibility, which has been rather indefinitely referred to, is the major part of the whole plan.

Now you gave us the honor of coming up in the Wilkes-Barre sector to look at the effects of a flood approximately a year ago. We have two rather small radio stations in our community, neither owned by newspapers. Those papers did not have adequate staffs to handle an emergency. We newspapers did the best we

could. Light, power and everything else went. There was water on your floor and in your cellar. We had all those things to fight. We did the best we could to get out reliable news. People were accustomed to looking into the newspapers for literally that.

Now came the emergency of the two floods which lasted over a period of ten days. These inadequately manned stations of ours put out all kinds of rumors, nothing based on fact at all. We could not reach the people with news.

THE PRESIDENT: We had the same experience in the Ohio flood. Scare stories went out of the irresponsible, privately-owned radio stations.

Q I think it would be for the best interest of the Government to have these stations, particularly in the smaller cities, to have these stations in the hands of financially reliable people and those who have been experienced in the getting out of reliable news rather than in the hands of irresponsible individuals.

We own a station. I went out and bought one since -- I bought it before these damned laws came, I do not know whether I will lose the money I put in -- but I went out with the idea of getting a responsible station and doing whatever we could if an emergency came up and having supplemental advertising. We are aiding in our community with honest news and rendering a real public service.

Q The McClatchy papers own five stations. Two are in cities, Fresno and Sacramento. Sacramento is a city of over a hundred thousand and Fresno is a city of around seventy thousand. One station is

in Reno, one at Bakersfield and one at Stockton.

I just want to emphasize and endorse what this gentleman said over here. Our experience has been that the newspaper-owned radio stations in California not only are the more responsible stations but the public confidence is greater in them than it is with the commercial stations. Newspapers are popular because they render a very definite public service. Radios also render a public service. Newspapers have been in the business of rendering public service for years and years and years. Therefore I cannot see why a newspaper is not better equipped to render that public service by way of radio. It is a matter of showmanship; it is a matter of dealing with the public and giving the public clarity, et cetera, and I think that newspapermen, being trained in that, are far more qualified to run a radio station that meets the demands of the community than independent or commercial people that have had no such experience, such as the fellow who would say, "Let us start a radio station," and they raise $50,000. and they do not know a damned thing about it. We have --

THE PRESIDENT (interposing): You get a news interpreter that does not know news when he sees it.

Q Talk about floods: We have a commercial station in San Francisco. We had a little two-day rain and one morning it came out and said, "Sacramento is under water; 150 homes are already flooded."

Well, the river was then ten feet below flood stage. The Chamber of Commerce had to call up the station and said, "You have to make a retraction," and they said, "We are sorry but

we have no time on the air to make a retraction."

You talk about rural communities: We found that our radio stations have made for good will, not only for the newspapers but also have helped community enterprises in the cities themselves, with the result that the papers in those small communities, rather than opposing our ownership of stations, have come to us seeking advice how they also can acquire stations. Up and down the Sacramento and San Joaquin Valleys and at other points newspapers have acquired radio stations, not because they were surprised by the results obtained through these stations but merely because they thought it was a good, sound proposition. We found out that the radio station in conjunction with the newspaper helps to gain good will for the newspaper, provided the station is run on a high plane. While our papers have certain policies and they are very liberal, there has never been any attempt to inject a policy of the paper into the station. We supported you, but we had just as many speeches by Landon and even had some by Mr. Browder where a lot of stations would not permit his talk, and we had no complaint from that score, even during the campaign.

So, I think a newspaper can run a radio station just as good as any other.

THE PRESIDENT: You know what came closer to bringing on a European war than anything else in the past three weeks? It was when the Italian brigade, fighting with General Franco, ran away from the Government troops at Guadalajara. The British radio is Government-owned and Government-operated -- I think I am right in saying that -- and that evening the British Government announcer told of

the retreat, the rout of the Italian troops and then went on and said, "We might almost say that this was a second Caporetto," whereupon Brother Mussolini went clear out through the roof.

Q In that connection, on our river floods, we experienced the same thing. Radio stations not owned by newspapers announced the dam had gone out and scared people to death.

Q You spoke of the Ohio Valley. When we had the flood which affected 200,000 people, the radio stations which were run by newspaper people were more efficient and effective in a sense because they had a greater responsibility. For instance, when the power went off, they told us we had to stop our radio. Immediately we got the signal taken over by National (the National Broadcasting Company) and in a little while had 5,000 radio stations broadcasting -- it was broadcast as news from the outside -- and it was broadcast in Louisville and immensely serviceable in getting 200,000 people out before they drowned.

Q It is 10:30.

THE PRESIDENT Well, I could go on for a long time but I suppose I had better go up and sign today's mail.

It is fine to see you and I hope to see you next April. We had a very interesting meeting. I hope you will come to me to say, "How do you do," to chat with me on any problems that come before you and on which I can help. Always feel that the latch-string is out. (Applause)

(The Conference adjourned at 10:30 P. M.)

CONFIDENTIAL
Press Conference #361
Executive Offices of the White House

April 16, 1937, 10.35 A.M.

Q Mr. President, by any chance have you been reading what has been going on about tearing down these beautiful cherry blossom trees to build your Jefferson Memorial?

THE PRESIDENT: Yes.

Q Have you any comments on it?

THE PRESIDENT: It lies with Congress.

I don't think there is any news this morning. I am milked out. I had the newspaper editors last night for two hours and a half and we discussed everything from to the Newspaper Guild and, if you want any news, I suggest you go and interview the editors and see if they are as good at keeping confidences as you fellows are.

Q Mr. President, are you prepared to discuss the scope of the Supreme Court decision on Monday?

THE PRESIDENT: No, I haven't had time to read it.

Q Have you had a report back from the Attorney General's office on identical bids?

THE PRESIDENT: I don't think so.

Q Can you give us any idea as to whether the McCarran proposal for just a flat addition of two Justices may meet the situation you had in mind?

THE PRESIDENT: There is a new one every ten or fifteen minutes.

Q Have you talked with the men from the Navy Department about the drydock situation -- about getting lower bids on the drydock?

THE PRESIDENT: As I understand it, they are working on plans now for redesigning the larger type of drydock and I think also the smaller type with the idea of building a cheaper drydock.

Q Mr. President, there is a report that WPA will be cut by 200,000 to drop seasonal workers?

THE PRESIDENT: I did not know it. I saw it in the paper this morning. You had better check with Aubrey Williams.

Q Is it too early, Mr. President, to discuss the relief appropriation?

THE PRESIDENT: I got preliminary figures yesterday morning and we are meeting again at 12 o'clock today and again tomorrow and probably by tomorrow we will come to what might be called the first tentative decision and then on Monday we will come to a final decision and I will start writing the message.

Q That means that you may have the message some time next week?

Q Did you read anything about the consumers' study?

THE PRESIDENT: That was one of the subjects we discussed

yesterday in that conference. It is a new thing. There isn't any news on it.

Q It has no particular bearing on anything?

THE PRESIDENT: No. We will meet again probably next week.

Q Have you invited the Belgian Premier over here on June 12 -- Paul Van Zeeland?

THE PRESIDENT: He is coming over, I understand, to be given a degree. I don't know whether that is supposed to be known or not.

Q The story comes out of Brussels that you have invited him here on the twelfth of June?

THE PRESIDENT: All I know is that it is planned for him to come over and receive a degree and naturally I will see him when he comes over.

Q Have you arranged the fishing date as yet?

THE PRESIDENT: No; I think we will get off about 1 A.M. on the 28th. It means you will have to get on board the night before.

Q Can you say anything about the sitdown strike?

THE PRESIDENT: No.

Q Will you comment on the fact that the Southern Pacific employes have called a strike despite the fact that you have appointed an investigating committee?

THE PRESIDENT: I haven't any news on that. Have we anything on that?

MR. McINTYRE: No.

THE PRESIDENT: I read it in the paper this morning.

I don't think there is any other news.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #362
Executive Offices of the White House

April 20, 1937, 4.05 P.M.

THE PRESIDENT: Go ahead and shoot -- I have nothing new.

Q What does this message do with legislation such as the Housing Bill and the Farm Tenancy Bill?

THE PRESIDENT: I don't know yet.

Q It seemed pretty clear that it's knocked them off?

THE PRESIDENT: Not necessarily. In other words, one of the things that we were talking about yesterday afternoon is this: Is it possible to do something for farm tenancy within existing general appropriations for similar things and, the same way, is it possible to do something for housing within existing or proposed appropriations for similar things. That is the thing we are studying at the present time. Well, I will just give you a lead on it and show you what I have in mind. We have this revolving fund you know, in PWA, and it might be possible -- it still is over $100,000,000 -- I have forgotten the exact figure, but it is somewhere between $100,000,000 and $150,000,000 -- it is unobligated and it might be possible to accomplish something for housing along a new plan by using that money instead of appropriating new money.

Q On these loaning organizations that you propose to liquidate, I suppose that is RFC loans, etc. Would it be regarded as permanent or would you still hold that as an asset?

THE PRESIDENT: We have run that as part of the daily Treasury balances right along. The money paid has been going into the Treasury. It has not been a separate fund, ever.

Q Is it your intention to sell some of the HOLC mortgages to banks or insurance companies or for the FCA to sell them back to the Federal Land Banks?

THE PRESIDENT: No.

Q Are you thinking of any existing funds with relation to farm tenancy -- any existing funds?

THE PRESIDENT: No. As you know, the plan, as I remember it -- don't get me over my head on this -- the plan as I understand it is that again this coming year, out of the proposed billion and a half for relief, would be taken the appropriation for that part of Resettlement that relates to rehabilitation and home relief. Is that right? I think that is the understanding.

Q I think so.

Q How much would that be out of that billion and a half?

THE PRESIDENT: Approximately what it was this year -- about $75,000,000, I think.

Q Mr. President, do you expect that billion and a half to carry you through the whole year?

THE PRESIDENT: I hope so. And on that, I will have to give you this as background and not for attribution but, rather, to make things clear, one of the things discussed yesterday afternoon was an alternate approach to the June 30, 1938 figures. There were some of the leaders who thought that perhaps it would be better to appropriate at this time, let us say, a billion dollars or a billion and a quarter dollars with the distinct understanding that if it was not enough we would come back next winter or spring for more money. Well, of course we did that last year and I did not like the method of approach because I don't think that it is quite as clear a way of stating the finances of the Government as it is to ask for what we believe will be the total amount. In other words, the country would like to know now approximately what the balance will be on the 30th of June, 1938. That is why I preferred the method of asking for a billion and a half rather than asking for a smaller amount, with the certain knowledge that we would have to come back for more. I think perhaps it is a little more honest approach to budget figures.

Q Mr. President, can you explain the executive withholding a large percentage of the money appropriated for specific projects?

THE PRESIDENT: Not necessarily for specific projects; it is for running the Government -- all the departments.

Q How far does your authority go on that?

THE PRESIDENT: You remember it, it was given to me at the beginning of the Session in 1933 and some departments that Spring were cut by Executive authority, very materially. You see, in the Spring of 1933 all of the appropriation bills were passed before the following fiscal year beginning in July, before I took office with the exception of the Independent Offices Bill which had failed. So, when we came in and the special session was called for whatever it was -- the fifteenth of March -- the first thing was almost the giving of authority to me to cut those appropriations in order to try to carry out the savings that we said we would make. Now, the suggestion that has been made is that I be given somewhat similar specific authority to do that next year. I probably can do it without specific authority but I would rather have it.

Q That is just what I was asking.

THE PRESIDENT: I think I have that authority now, but I would rather have the specific authority.

Q George Lansbury, after seeing Hitler, wrote a statement in which he said that you favor a conference for world disarmament and economic progress, and so forth.

THE PRESIDENT: I am afraid that is a very, very old story. The water was over the dam over a year ago and of course I never talked about any economic conference at that time. I am very much in favor of improving the economic situation of the world and hope that some method may be found of arriving at that result.

Q While you are discussing economics, I notice in the British Star, you have a very interesting story on the British budget. (Laughter) Have you read it, sir?

THE PRESIDENT: Only the headlines.

Q Twenty-five per cent income tax?

THE PRESIDENT: Yes, 25 per cent for arms. Of course, in my message, I did make mention of certain nations of the world that are headed toward bankruptcy and largely because of the armaments race but, of course, obviously, I did not know what Mr. Chamberlain was going to send in when my message was written and,also obviously, I think a distinction should be made, in justice, between those nations which are arming with some intent, expressed or implied, to use those armaments for offensive purposes on the one side and nations which are arming with great

reluctance, obviously, for defensive purposes only. I think it is only fair that that distinction should be made.

Q Mr. President, the reports persist that you are contemplating the imposition of a quota on gold imports?

THE PRESIDENT: That is a new one.

Q Or that you will cut the price of gold?

THE PRESIDENT: I think I answered that three weeks ago.

Q Well, it has come right back again.

THE PRESIDENT: It must have gone all around the world and come right back again.

Q Have you studied the Supreme Court decisions enough to say whether they will affect your program for minimum wages and maximum hours?

THE PRESIDENT: I have studied that and cannot answer the last part of the question except to say that we are working on it.

Q What anticipated cut in WPA enrollment will be necessary in order to stay within the $1,500,000,000?

THE PRESIDENT: It is impossible to tell at this time; it won't be very great.

Q They are running a little over two million now?

THE PRESIDENT: People or dollars?

Q Two million people.

THE PRESIDENT: I don't think very substantial cuts are necessary. In other words, it is the original proposition. In a great many places there will be cuts and in some places there will have to be increases.

Q Will the same level of wages be maintained as are now in existence?

THE PRESIDENT: Yes.

Q How much of the billion and a half is intended for WPA?

THE PRESIDENT: I don't know. The only main item that comes out of it is what I talked about for Resettlement, about 75 million dollars. Of course there may be a few small amounts in addition to that.

Q That paragraph in your Budget Message relating to armament: Some people have construed that as a suggestion that the arms program may be curtailed?

THE PRESIDENT: Our arms program?

Q Yes.

THE PRESIDENT: No.

Q Can you tell us whether the Navy still abides by the policy in effect before the expiration of the London Treaty?

THE PRESIDENT: We are still trying to catch up with the London Treaty of 1930.

Q How does the Navy arrive at the decision regarding which company to give the steel contract to. They have arrived at one today?

THE PRESIDENT: Did they?

Q We are told they did.

THE PRESIDENT: I wish you would find out, it would be interesting.

Q I was wondering why the usual debt retirement item is left out of the new budget?

THE PRESIDENT: Usual what?

Q The debt retirement item under expenditures.

THE PRESIDENT: What is the use of putting it in on one side and taking it out on the other.

Q It was in in January.

THE PRESIDENT: You can always take it out and put it in. You don't get very far doing it. You are now talking from the point of view of an accountant and not a layman.

Q How does the billion and a half appropriation for the 1938 fiscal year for relief compare with what will be spent this fiscal year?

THE PRESIDENT: I don't know. I have not checked on those figures.

Q It is a smaller figure, is it not?

THE PRESIDENT: It is a smaller figure, yes.

Q In your January budget you mentioned 900 million dollars coming from the Treasury balance and some other sums which would be deducted and thus the total additional debt will be about $1,400,000,000. How does that stand now?

THE PRESIDENT: Is it down on this last page (indicating)?

Q I noticed some reference in today's message of taking some of those sums from the working balance and deducting them?

THE PRESIDENT: Obviously, these budget things have no relationship to working balances.

Q I thought you said in the Budget Conference last January that that figure of $1,400,000,000 was, in effect, the real deficit; that it was everything taken out and subtracted. Now, is that approximately what the deficit will be. Is it the addition to the public debt, or has that gone up. Is it still possible to deduct that from the working balance?

THE PRESIDENT: The working balance has absolutely no relationship to budget. It has nothing to do with income and outgo.

Q Can you tell us what the National debt will be on June 30. Will it be over 35 billion dollars?

THE PRESIDENT: I haven't the vaguest idea. You had best ask the Treasury. And again -- wait a minute on that because that in part answers that question: The National debt might be, conceivably, 45 billion dollars but, if we have 10 billion dollars in the Treasury as a working balance it will be only a net of 35 billion dollars. That is the easiest way of putting it.

Q They haven't computed it yet?

THE PRESIDENT: No; I don't know what the net will be at that time.

Q Do you know how much the Treasury will borrow from now to June 30?

THE PRESIDENT: You will have to ask the Secretary of the Treasury.

Q Mr. President, does this prospective use of PWA [WPA?] funds affect the Pennsylvania allocation?

THE PRESIDENT: I don't know; I don't think so.

MR. DURNO: Thank you, Mr. President. (Laughter)

(Mr. Russell Young, as Dean, customarily closes the conferences by his "Thank you". Mr. Durno felt that the Press Conference was running beyond a reasonable time and "jumped the gun" on Mr. Young, which caused the laughter.)

CONFIDENTIAL
Press Conference #363
Executive Offices of the White House,
April 27th, 1937 - 4 o'clock, P.M.

(There was an exceptionally large gathering.)

THE PRESIDENT: I got, a few minutes ago, the report from the Attorney General which resulted from the study of the identical steel bids. It has not been mimeographed as yet. I will give a copy of it to Steve (Early) and he can have it mimeographed. That is all the news there is on it for the moment.

I will just give you one or two high spots of the two and a half pages. The Federal Trade Commission made a report in June, 1936, reaching the conclusion that collusion in maintaining prices accounted for the identical bids. This was evidenced by the agreement of the steel producers in June, 1935. The question with which the Department of Justice is concerned is whether the administrative remedies in the control of the Federal Trade Commission by way of cease and desist order should be superseded by criminal and civil proceedings to be instituted in the

courts by the Department of Justice. The Department of Justice has conducted an extensive investigation, etc., and, after examining the information obtained, has concluded that the investigation has not produced sufficient evidence admissible in civil and criminal litigation as they have been construed by the courts. They feel that the administrative and quasi-judicial remedies in the hands of the Trade Commission may be better adapted to the purpose. (Reading)

> "The identical bids in the steel industry are produced, in part, by the basing point system of price determination. This system, long used in the steel industry, not only affects the manufacturers who utilize it and the consumers who are subject to it, but it also presents economic and social questions due to the fact that communities as well as plants have been located and developed with reference to the price structure developed by this system. The machinery of the courts is not geared to the handling of the social and economic factors necessarily involved; and many persons and communities seriously affected cannot be parties to a court proceeding under the Anti-trust laws. It appears therefore that a problem is presented which can be more satisfactorily investigated and dealt with through the more flexible remedies of the Federal Trade Commission.

> "The question before us is broader, however, than that of identical bidding in the steel industry. The type of practices complained of in this instance is widespread throughout many of the basic industries of the country. The

difficulty in correcting this situation raises the whole question as to the adequacy of the present Anti-trust Laws for the solution of the monopoly problem as it now exists in the United States.

"In my opinion, the time has come for the Federal government to undertake a restatement of the law designed to prevent monopoly and unfair competition. This proceeds from the conviction that the present laws have not operated to give adequate protection to the public against monopolistic practices.

"After 24 years' experience with the Sherman Law and its judicial interpretation, the Congress enacted the Clayton Act and set up the Federal Trade Commission. After nearly 20 years' experience, in 1933, the National Recovery Administration was established. Many other laws dealing with phases of the industrial question have been enacted and others are in contemplation. A review of the accumulated experience of the last 47 years would indicate many things to be avoided, as well as many to be accomplished, by a revision of our Anti-trust Laws.

"Moreover, these laws have been subjected to court interpretations which from time to time have limited their application, modified their meaning and imposed upon the government impossible burdens of proof.

"A long experience with the difficulties of enforcement furnishes a sound basis for improving the enforcement machinery. This Department has labored with inadequate means to enforce laws that do not provide sufficient legal weapons to make enforcement effective. In the face of a present tendency to increase prices and a necessity for a corresponding increase in the vigilance of the Department the question is forcibly presented as to whether the country can afford

to leave the enforcement of a vital economic policy so poorly sustained. The present machinery of enforcement through the Federal Trade Commission also should be made more adequate and effective, and the devitalizing effect of some of the court interpretations upon its powers should be overcome by legislation.

"I therefore recommend that there be set up a Committee to study the Anti-trust laws as to their adequacy, their enforcement and the desirability of amendment, extension and clarification. The Committee should have power to enlist the aid of consultant groups both within and without the government, as the studies will naturally cover a wide area including the relation of anti-monopoly policies to such subjects as patents, taxation, commerce, manufacturing, farming and labor."

You will get a copy of the letter and as I said before, that is all the news there is for the moment.

Q Did you say, sir, that such a Committee will be appointed?

THE PRESIDENT: I said that is all the news for the moment.

Obviously there will be something done.

Q There has been much speculation about your letter to the Civil Service Commission yesterday on speculation. Can you enlighten us on any part of it?

THE PRESIDENT: No, except that it means what it said.

Q Any specific instance that caused this letter?

THE PRESIDENT: No, just the good.

Q Any complaints from anybody?

THE PRESIDENT: No, just the general good, and a very obvious general good. All the older people in the room know what happened to the American public in 1927, 1928 and 1929.

Q The immediate reaction from the rank and file of Government clerks was, "We don't have enough money to speculate." (Laughter)

Q Or perhaps you meant somebody else.

Q Have you any comment to make on Senator Byrd's suggestion to consolidate the HOLC with the Housing Administration to reduce expenses? They claim that you can save about twenty-five million dollars.

THE PRESIDENT: The thing to do is to add up what they spend now for Administration purposes and see if you can figure it out on the basis of twenty-five million dollars.

Q There seems to be almost universal approval of your econony movement until you get down to individual cases.

THE PRESIDENT: Yes, it depends on whose baby gets the measles.

Q Will Senator Copeland prescribe for that?

THE PRESIDENT: Well, look - off the record, as V. P. said to me a couple of days ago - this is really off the record - "When it comes to old Doc Copeland, he has two rules: One is to vote for every appropriation and the other is to vote against every tax." (Laughter)

Q Specifically, what he is interested in is sixty million dollars for flood relief.

THE PRESIDENT: I have forgotten the amount and will have to check. We have an amount for flood relief which is in the budget. I think it is thirty million dollars. Is that right?

Q Right.

Q I notice your itinerary for your New Orleans trip gives you about four hours -- (interrupted)

THE PRESIDENT: We hope it will clean up New Orleans.

Q (Continued) Gives you about four hours. Does that mean you will have a nice, old Creole luncheon before you get on the boat?

THE PRESIDENT: Creole? (Laughter) Ask Mac (Mr. McIntyre); he won't tell you.

Q Any luncheon scheduled there at all, sir? (Laughter)

THE PRESIDENT: Are you going with us?

Q (MR. RUSSELL YOUNG): No, sir.

THE PRESIDENT: Well, that is a shame; I would have arranged for lunch if I had known you were going with us.

Q Mr. President, with the rain coming down outside and with thunder and lightning in the offing, may we ask for your plans on flood control this year outside of the thirty million dollars in the budget? Have you any other plans?

THE PRESIDENT: Yes, I think I can tell you that. I have not written the letter yet, but I have told the two Chairmen already what the letter is going to be. I have here in my basket the report of the Army Engineers on various projects that they will ask for a report on. The total of those projects is about eight hundred million dollars and, as I said in my budget message of last week, I hope very much that the continuance of authorizations in large amounts is going to be stopped. We are working, in other words, towards a definite recommendation for an appropriation that can be started within the next fiscal year after they are made by Congress, so this report of the Army Engineers, of course, will be

transmitted to the Congress just the way they made it. However, I am sending the report back to the Army Engineers, asking them, in cooperation with the other agencies of the Government that deal with floods -- Soil Erosion, Reforestation, etc., and so on, -- to let me have a list in the order of priority of things that obviously should be started very soon. That will probably include the various items that would amount up to the thirty million dollars that has just been mentioned, so that that work can be undertaken during the coming year.

Q Mr. President, can you tell us why you asked the House leaders to hold back on legislation -- on price maintenance bills they have up there?

THE PRESIDENT: What is that, the Millard Tydings Bill?

Q Yes, sir.

THE PRESIDENT: Well, I think anybody reading the bill at once has a question in their mind as to whether the bill will really serve the public interest or whether it would strengthen price fixing by monopoly. I think that question ought to be resolved first before we could all agree to the bill. It might have just the

opposite effect from the effect alleged -- effect desired, I mean.

Q When were you last in New Orleans, sir?

THE PRESIDENT: On the way to Houston in 1928.

Q Did you make a trip around the city at that time?

THE PRESIDENT: Yes.

Q Mr. President, in respect to the census of the unemployed, do you think that such a census should be taken in connection with the national census?

THE PRESIDENT: Define "unemployed," please. In other words, this whole question goes back to what we have talked about four hundred times before. Nobody is willing to say what they mean by "unemployed", whether they are writing stories, editorials or making political speeches. Now, that is the entire answer today. Nobody, today, in this entire country. As a matter of fact, we have a complete list in every State of the needy unemployed. We know that. We have that complete list. That is just a plain, simple fact. The list is combed every so often to see whether it should be increased or decreased; there is a constant check-up on that. We have, today, the statistics of the needy unemployed or employables.

Q What does that show?

THE PRESIDENT: I don't know. Ask Harry Hopkins. That list is there for anybody to read. If you start to talk about how many unemployed in the country, I have got to say, what do you mean by the word "unemployed"?

Q By what standard do they determine a "needy" person?

THE PRESIDENT: You go over and ask Harry; he will know what it is. That is all perfectly definite.

Q I have a Negro in town. It is very difficult to get him because he is on relief and can only work three hours a day polishing floors.

THE PRESIDENT: Take the case to Harry Hopkins. What is his name? That is the kind of stuff I want. What is his name?

Q He is a friend of mine; I cannot tell you.

THE PRESIDENT: Come and tell me confidentially afterwards.

Q Mr. President, that list of needy unemployed will show the number who are receiving public relief?

THE PRESIDENT: Yes, that is to say Federal relief.

Q It would also be valuable to have the number of the many hundreds of thousands of young men who have

grown to working age since the depression who have never had a job.

THE PRESIDENT: In addition to that, you have the rolls of the United States Employment Service and those rolls show six million people who are looking for jobs.

Q But those rolls at the Department of Labor show duplications. One individual registered at ten different Bureaus in order to get a job.

THE PRESIDENT: Yes, and steps are being taken to get those duplications eliminated entirely.

Q Is there any possibility of moving up the taking of the national census, June, 1940, and making it within a year or so in order to get that information on hand?

THE PRESIDENT: What do you want the information for? What does anybody want it for? It is a matter of interest -- what else?

Q To determine how many people there are able and willing to work who are unable to get work.

THE PRESIDENT: We have it somewhere, approximately. Is it going to help this country quickly as to whether

it is five million or eight million?

Q Wouldn't it help to know in what lines there was the largest unemployment?

THE PRESIDENT: . We know that pretty well. It is pretty well determined by regions and lines of employment.

Q And industries?

THE PRESIDENT: Yes, and industries. It is all there. Go and get it.

Q Do you expect wages and hours legislation to be enacted by this session?

THE PRESIDENT: I don't know yet.

Q Going back to speculation for one minute, have you in mind that what is good for Government workers is good for the public generally?

THE PRESIDENT: I have been saying that since 1927. I always remember a little survey that I had made, when I was Governor, of a certain upstate community. In this community there were a hundred and twenty-five families. In 1931, about a year and a half after the smash, it was found by a personal check on those a hundred and twenty-five families that one hundred and five of them were in the market - mind you, that

meant an average of seven hundred or eight hundred people. It was not in Dutchess County, although it might have been so far as the results went. One hundred and five out of the one hundred and twenty-five families were in the market, on margin, and one hundred and four out of the one hundred and five either lost their homes, lost their savings or were very badly nicked, so much so that they were in debt for a great many years. One family came out ahead. He was the baggage boy down at the railroad station and he married a girl at the moment that his broker-age account was fifteen hundred dollars to the good and she persuaded him to draw it out and buy a little house. But a hundred and four families out of a hundred and five that were in the market lost their money and there were only twenty families in the village not in the market. That is only a little experience.

Q Since the speculation you speak of in 1929, the margins have been jacked up to forty-five per cent. Would you do away entirely with trading on margin?

THE PRESIDENT: I think that is up to the SEC at the present moment.

Q Do you think there ought to be a higher margin?

THE PRESIDENT: I don't know enough about it.

Q Do you wish to comment on your luncheon conversation with President Quezon before he left?

THE PRESIDENT: No, he is going to stop in and see me on his way back. I think he very much pleased with what has been done about this Joint Commission to study the whole economic situation of the Philippines.

Q Are you also pleased with the arrangement?

THE PRESIDENT: Yes, I think it is very good.

Q Will the relief program for the next year follow the same general course it is following now on WPA?

THE PRESIDENT: The same general course, yes. That is to say, putting people to work on useful jobs.

MR. YOUNG: Thank you, sir.

Press Conference No. 364

April 29, 1937 - 4.50 P.M.

(Alongside Destroyer on dock
at New Orleans, Louisiana)

(The Press gathered around the President as he was about to leave his car. Governor Leche and the Mayor of New Orleans were in the car with the President.)

THE PRESIDENT: Good Lord, look what I have here. (Indicating press). You know, I don't know what I'm going to do. (Turning to Governor Leche). Do you think it is safe to leave this bunch ashore, Dick?

GOVERNOR LECHE: We will take care of them. (Laughter)

Q When will we see you again, sir?

A It depends on lots of things. It depends on the fishing and the weather and a few other things.

Q Will you make some predictions about the fishing.

A I am leaving that to Colonel Watson.

Q The statement you made on the spillway about the leasing of those lands -- is that on the record?

A I think you can use it. I will tell you what I have done. You can find out about it officially in a few days from the Committee on Flood Control in the House. Judge Whittington is the chairman. I think it is a thing to spend some money on, but not right away. The idea is that if we own the

title to the land and not merely the flowage rights we can probably get an income renting the land, but, at the same time, if we get a flood, people will leave the land possibly instead of what happened opposite Cairo this year.

Q We are trusting you with coverage the next few days, hoping that we will get a very full bulletin and a little light on the fish stories.

A I will appoint a committee to write them, but I will retain the editorship-in-chief. That is, all the news sent out will be censored by me.

Q That is bad news. The worst part of the news is Mr. McIntyre -- if we can get him to receive it.

A Don't let the Wall Street Journal (meaning Claude Mahoney) clean the market while I am away. (Laughter)

(The President then boarded the Destroyer).

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CONFIDENTIAL
Press Conference #365
Held aboard the Potomac off Port Aransas,
Saturday, May 7, 1937, 4 o'clock P.M.

(The press arrived aboard the Potomac at about 2.30 P.M. The President was in his fishing launch, having hooked a 77-pound Tarpon off the breakwater and played it to a point in the harbor about half mile off the bow of the Potomac where it was finally brought to gaff.)

THE PRESIDENT: I hear you had a good time.

Q They tell awfully big stories. (Laughter)

THE PRESIDENT: What is the news? By the way, who got the fish?

MR. KANNEE: I caught the fish, Mr. President. It was an amberjack and weighed about 30 pounds.

Q Are you planning to send a message to Congress on a uniform power development program?

THE PRESIDENT: That is still in the study stage.

Q Speaking of the disaster to the von Hindenburg, do you contemplate lessening restrictions on our sales of helium?

THE PRESIDENT: I do not know because I will have to talk to Secretary Ickes about it first. Do not put it down that I declined to answer -- I would have to talk to him about it first.

Q The Washington papers say that you have the power under the existing law?

THE PRESIDENT: That is what I do not know -- that is why I cannot answer it.

Q How do you feel about dirigibles for the navy?

THE PRESIDENT: The answer on that is that we are continuing to study lighter-than-air ships. The whole field is still worthy of studying and that is about all one can say. I have been saying that ever since I came into office.

Q Would you favor complete abolishment of margin trading?

(Laughter)

THE PRESIDENT: I announced that before I left.

Q (Claude Mahoney) That is what I tried to tell the office.

THE PRESIDENT: I announced that before I left. I suggest that you ask the S.E.C.

Q How do you feel about prices now?

THE PRESIDENT: What do you want me to say? Are you long or short?

Q No, sir, I am a newspaper man. I haven't enough money.

(Laughter)

THE PRESIDENT: Well, I cannot go any further than that. You will just have to ask them the question.

Q Washington dispatches indicated that you might take some new aggressive steps in connection with the Court Bill?

THE PRESIDENT: You have been reading the Washington stories since coming down to Galveston. How does it feel to be away from Washington and reading Washington stories?

Q We have been reading the same one every day.

Q What are you going to do after Fort Worth?

THE PRESIDENT: Just go to Elliott's house and stay there. We will not get there until late at night -- 10 o'clock.

Q The first stop is going to be at the A. and M. (meaning [Texas] Agricultural and [Mechanical College] Military Academy)?

THE PRESIDENT: We are stopping at the Houston Station about ten minutes. I am not getting off the train there. There will probably be some people down there.

Q Yes, sir, what did you do with the fish you just caught?

THE PRESIDENT: It is going to be mounted. I am giving it to Elliott. There was some discussion on the dock as to whether Barney Farley had not arranged with the fish, as soon as he heard you people were coming -- especially that the photographers were coming -- so that it would be caught promptly at two o'clock. (Laughter)

Q We thought that the fish got tired waiting.

Q Will you make a platform appearance at Houston?

THE PRESIDENT: Am I, Mac?

MR. McINTYRE: It has not been decided as yet.

Q Have you got any plans to speed up Congress when you get back? They haven't done any work since you got away.

THE PRESIDENT: I signed 32 bills.

Q For the relief of, weren't they?

THE PRESIDENT: Did you read the titles on all of those bills? It is a scream.

Q We just looked them over.

Q Will you see the Congressional leaders, as you usually do?

THE PRESIDENT: Yes.

Q How did you enjoy Port Aransas?

THE PRESIDENT: It is a grand spot.

Q Did you land yesterday?

THE PRESIDENT: Yes, on St. Joe Island. I went ashore for lunch with Mr. Richardson. I was particularly interested in a great many birds I had not seen before. They do not get as far north as we are.

Q Was that on St. Joseph Island?

THE PRESIDENT: Yes.

Q Do you plan to do anything on housing legislation when you get back?

THE PRESIDENT: I will have a conference on that.

Q Is that set for a definite time?

THE PRESIDENT: No.

Q Who will be there?

THE PRESIDENT: All the government people, congressional people and administration people, and others who are interested in it. We will try to get something tied together.

Q Have you had any report on the progress being made while you were down here?

THE PRESIDENT: I have not heard a word. We are having an awfully light mail. Mac has been good to me.

MR. McINTYRE: Washington has been good to me.

Q We are getting awfully light reports from the Potomac. It is a good thing you are not a correspondent working on space.

THE PRESIDENT: Maybe if I were on space I would make a good story.

Q Mac has made some very good space at Galveston.

THE PRESIDENT: Good; that is fine.

MR. McINTYRE: I think J. Russell (Young) has got to come across now (meaning thereby a certificate from the J. Russell Young School of Expression).

THE PRESIDENT: Yes, that's right.

Q How many fish have you caught? How many Tarpon?

THE PRESIDENT: Two, that is all. I caught some very nice king fish out in the gulf yesterday. Of course we caught some small fish over the side.

MR. McINTYRE: We made an awful liar out of Kannee. He phoned Doc Smithers and told him he caught a 40-pound amberjack and it turned out to weigh only about half that.

MR. KANNEE: We had no scales, so I had to guess its weight, but I do believe that it weighed about 25 or 30 pounds.

Q When do you plan to leave Port Aransas?

THE PRESIDENT: I plan to move out slowly into the mouth of the Brazos River, getting there on Monday morning and fishing off the mouth on Monday and then going to Galveston on Tuesday morning early.

Q Mr. President, are you coming into Galveston on the Potomac?

THE PRESIDENT: Yes. The top deck will be within two feet of the level of the dock.

Q What is the name of your fishing guide?

THE PRESIDENT: Barney Farley.

ELLIOTT ROOSEVELT: No kin to Jim (meaning Jim Farley).

THE PRESIDENT: He says he likes Jim a lot.

Q What kind of guide is he?

THE PRESIDENT: He is a grand fellow. You know, both their predictions were good. Jim predicted the election and Barney the fish. It runs in the family.

MR. McINTYRE: Have you any more financial questions, Mahoney? Ask him. (Turning to the President) He has been away from his office for two weeks.

THE PRESIDENT: I will tell him, off the record, and really, this is very interesting. You remember, just before we left, a week or ten days before we left, we talked about the price of copper and steel -- and things started to smash up. Well, since we have been on board, they have had a most awful smash-up in London and Paris, with the result that all the more conservative bankers are just ticked to death. As it worked out we got all over it before the break over there and they thanked me for doing it. It is just the people who got caught -- who were too long -- that are blaming it on me. It is really a very interesting thing.

MR. McINTYRE: Should we use that for "background" and not "off the record"?

THE PRESIDENT: For background is all right.

Q How much have prices dropped on the other side?

THE PRESIDENT: I have been told quite a lot -- more than over here. Relatively, I think it has been a greater drop. They feel the whole situation -- the financial situation -- is better in London and Paris since it happened.

Q Have you enjoyed this stay here?

THE PRESIDENT: Fine. It is a good place in here. There is fine fishing. I think I have taken off two inches. It is all right.

Q Did you see Mr. Jones while he was here?

THE PRESIDENT: Yes, he came on board. He went out fishing but did not get anything. The Houston Post, however, credited him with four fish. That is what they call editorial courtesy.

MR. DURNO: Thank you, Mr. President.

THE PRESIDENT: Have a good time. I will see you all on Tuesday.

CONFIDENTIAL
Press Conference #366
Held in the dining room of the President's car attached to the special train enroute from Galveston to Washington shortly after leaving St. Louis, Missouri,

May 13, 1937.

THE PRESIDENT: Doris, how is their behavior?

MISS FLEESON: I won't say, but I am so happy that I am going home.

Q Did you know that Pericles Levy was elected?

THE PRESIDENT: So I heard. It is fine. Good for old Pericles.

(Mayor Levy of Galveston in a somewhat eloquent speech introducing the President, compared him with Pericles of Athens.)

Q Is there anything doing in Congress that you can tell us about? Is there any reaction to Ambassador Dodd's letter. Has it been called to your attention?

THE PRESIDENT: I have not read the whole letter, so I cannot have any reaction to it. I don't think anybody printed the full letter.

Q It may have been printed up there, but not here.

THE PRESIDENT: I don't think anybody has printed the full letter. Of course, as background, I think the importance of the letter is not in the least bit the talk of some billionaire. Of course, talking about a billionaire would make a lead for a story but that is

not the importance of the letter. It has nothing to do with the price of eggs as to whether he can name a billionaire and prove it in court or not. The point he makes is that he thinks democracy is in jeopardy if certain elements in the Nation continue to control the Government of the Nation or seek to control the Government of the Nation.

It is a question of historical precedents and it is also a question of present-day tendencies on the part of elements -- that is a polite way of putting and saying all sorts of other things -- which are horrified by the thought that they won't be able to return to their old and accustomed control of Government. In fact, they are all het up about it and when people get all het up about things like that, nobody can tell what practical or actual action they are going to take and you don't have to prove it in court. It is just human nature.

MR. McINTYRE: This is still off the record?

THE PRESIDENT: This is all background.

MR. McINTYRE: Did you see where Burke and Truman were the only ones that got excited?

Q And Van Nuys and King?

THE PRESIDENT: Yes, and King.

Q Are you planning to meet the leaders some time tomorrow?

THE PRESIDENT: I haven't any plans at all. There will be a Cabinet meeting tomorrow afternoon, as usual, on Friday.

MR. McINTYRE: While you haven't any appointments, you will be seeing some leaders.

THE PRESIDENT: No appointments -- no big gatherings.

Q Did you discuss the Argentine Sanitary Convention with the cattle men?

THE PRESIDENT: We did, but among a great many other things.

Q Can you give us any idea as to what you are going to talk to the Postmaster about?

THE PRESIDENT: Who?

Q The Postmaster General.

THE PRESIDENT: No, we will talk about a lot of things.

Q Where did you talk to the cattle men?

THE PRESIDENT: We all sat around in a circle and ate some excellent beef and they talked and I talked and we had a general conversation and individual conversations, and we talked about the whole general cattle problem and deflated the idea which most of them understood before. Let me talk some more background to you. The objective of these trips, you know, is not fishing. You probably discovered that by this time. I don't

give a continental damn whether I catch a fish or not. The chief objective is to get a perspective on the scene which I cannot get in Washington any more than any of you boys can.

Q (George Durno) Right.

THE PRESIDENT: You have to go a long ways off so as to see things in their true perspective because if you sit in one place, right in the middle of the woods, the little incidents that don't mean a hill of beans get magnified by a President just as they do by a correspondent. Am I right, John? (Mr. O'Brien)

Q Right.

THE PRESIDENT: And that is why I take a good many trips in the course of the year through the country. I am not talking about going down to South America; that is a different thing and gives you a different perspective. On this particular trip, as you know, I have seen a good many people -- not only the people I have seen in crowds, for you get the feeling of a crowd, but also the people I have talked to. I have talked to people down in Mississippi, in Louisiana and a whole lot of people in Texas. I have talked to various people down around Aransas Pass. It has given us a pretty good picture of the problems in the southwest and in the Mississippi

Valley. I saw a lot of oil men and cattle men. I talked with the Commissioner of Agriculture of Texas and with one of the big exporters of cotton on the subject of cotton, George Sealy. Up at Elliott's, I talked to a whole lot of cattle men, not just from Texas but he had people there from New Mexico, California, Arizona, Montana, Kansas, Oklahoma, Chicago and there was a man there that puts on a big Chicago cattle show, for instance. There were other States, Missouri, Iowa and Wyoming and Nebraska. There was one man from Tennessee representing the southern cattle men's point of view. We did not only talk cattle, we talked about economics along the general lines that the thing that has hurt the country in the past, whether it be cotton, corn,hogs, wheat or cattle, has been the tremendous fluctuation in price. As several of them said to me yesterday, speaking of cattle, it is not only 2 cents a pound for cattle that busts them it is the price that goes too high that busts them equally. That is because when the price goes too high, obviously people stop eating beef. You get a consumers' strike and you get a consumers' strike also when cotton goes too high or wheat or hogs or corn; it is all the same thing.

Of course on the other side of the picture, there is one element which is very local and gets a tremendous amount of publicity that does not agree with that theory at all and that is the element in the community that makes money from the swings, upward and downward. I pointed out to them what they already knew, that the objective on cattle, like on all the other major crops, is to bring the price to a point where the growers of cattle will find brings them a reasonable profit and then to try to keep it either from going through the roof or dropping through the bottom. That does not mean price fixing at all. It means stabilizing within reasonable limits.

Of course we talked also about the other phase of the cattle business, which is the processing and distribution. We talked along the same general lines, that in processing and distribution there are bound to be sudden or drastic rises or declines; that they too should be eliminated because it puts it into the speculative element and hits the consumer. That is the general line of things. And, mind you, the same analogy applies whether you talk cattle, cotton, corn, hogs or wheat. It is all the same theory.

But the thing that impressed me on this whole trip is that the people, as a whole, understand what it is all about. And, in the same way, the people understand the unemployment problem. Taking it by and large, they are just exactly as intent on going ahead with orderly progress, with the many objectives not yet attained, as they were last November or in 1934 or in 1932.

MR. McINTYRE: Would you object, Mr. President, if the boys put a rather liberal interpretation on that back-ground -- on this latter part of it?

THE PRESIDENT: What do you mean by a liberal interpretation?

Q No direct quotes, Mr. President.

THE PRESIDENT: All right.

And, it might be worth while -- you need not repeat it but if you want to put in all the things for which "I have just begun to fight" -- what I used in the Madison Square Garden speech, that is a pretty good list of objectives. In other words, still doing business at the old stand.

Q Have you received any reports or estimates from Congressional leaders as to when action can be expected on the Court Bill?

THE PRESIDENT: I haven't heard a word.

Q Have you given any thought to the appointment of those folks who you were going to ask to study anti-trust legislation?

THE PRESIDENT: No; I suppose I will talk about that next week some time. I haven't talked with them about it for two or three weeks. That is just in the normal course of things; there are no plans or prospects.

Q Anything you would like to say about the action of the House in extending CCC two years and not making it permanent?

THE PRESIDENT: We have two years more; I am not much worried.

Q Have you appointed Colonel Thompson of Texas as Railroad Commissioner?

THE PRESIDENT: That is a very good illustration of what I said about being in the middle of a forest. It is an excellent illustration because there we have news out of Washington on the House doing something. Now the Lord knows what the Senate will do. Suppose they do make it two years? There aren't any eggs spilled.In other words, that is a matter of absolutely minor significance. You have to get far away before you really can appreciate that it is a matter of minor significance. Yet columns have been written by the columnists --

Q (Miss Fleeson) When you say that, smile.

THE PRESIDENT: You aren't; you are a combination of both.

(Laughter)

You take that question about the saving out of the 1938 budget that started before we left and has been going on ever since. Again it is a case of forests. The House -- who was it, Cannon -- proposed a 15 per cent optional cut and Jim Byrnes proposed a 10 per cent cut on those things which were not -- whatever they called the thing, mandatory.

Q Fixed charges?

THE PRESIDENT: Now, that is a pure case of a little problem between the House and Senate. Actually everybody is agreed on the cuts to the extent of $300,000,000 or $400,000,000 out of next year's budget. The method of doing it is utterly unimportant. As a matter of fact I think probably that I have the right to make the cuts -- in other words not to spend any money -- without any legislation. It is just a case of trees. The objective is to save $300,000,000 or $400,000,000 and, when the session is all over, you will find we have every right to make a saving of $300,000,000 or $400,000,000.

Q Getting back to this price stabilization. Can you tell us how you propose to bring it about?

THE PRESIDENT: Stabilization? Don't use the word "stabilization." Stabilization connotes to most people price fixing. Put it this way: Stabilizing through reasonable limits so that it won't go through the roof or down through the bottom.

Q How?

THE PRESIDENT: Along the general lines about which we are talking about which is, again, not the letter but the spirit of Triple A. In other words, the details of Triple A may be entirely changed, but the objectives would remain. Wheat is a very good example. This year we have a perfectly enormous wheat acreage but the carry-over of wheat this year is too small. With that carry-over there isn't any danger of anyone going without bread because it still is a carry-over but, when you have a small carry-over, there is a danger of a small group, with or without concerted action, in effect cornering the market and putting the price of wheat so high that it will affect people in the city who are buying loaves of bread. So, therefore, the objective is to increase the carry-over of wheat this time but, if that carry-over is going too high again this year or next year, the objective will be to cut the carry-over of wheat so that you won't have such a

large carry-over that will give us 30-cent wheat again.

Q That comes pretty close to being an ever-normal-granary plan, does it not?

THE PRESIDENT: Yes.

Q There won't be any chance of new legislation, will there?

THE PRESIDENT: There may. That is a thing we haven't got to yet?

Q How about similar action with regard to industry?

THE PRESIDENT: That is an entirely different thing. There isn't any news on that.

Q You talked some time ago about copper prices, for instance?

Q Will you have wage and hours legislation?

THE PRESIDENT: Nothing on that yet.

Q Did you appoint Colonel Thompson of Texas as Railroad Commissioner?

THE PRESIDENT: I appointed some people the other day. I think I have a request for three or four names that were not in the original group. It is a very large group and I don't think it costs the Government anything. I think they go over at their own expense.

Q That statement about doing business at the old stand is attribution, not for quotation?

THE PRESIDENT: Yes.

MR. DURNO: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #367
Executive Offices of the White House

May 18, 1937, 4.15 P.M.

THE PRESIDENT: How has everybody been behaving in Washington?

We had a grand time on the trip . . . . . There are a lot of people coming in today.

MR. YOUNG: They are just curious today.

MR. DONALDSON: All in.

THE PRESIDENT: There isn't very much news but before we talk about news, I am going to ask you for a very few minutes to resolve ourselves into a Committee of the Whole. Off the record, wholly off the record, I just wanted to tell you a story that I think you ought to know because it does affect the Press of the country. I think you will all agree on that when you hear what I am going to read. As you know, I have always encouraged and am entirely in favor of absolute freedom for all news writers. That should be and will continue to be the general rule in Washington. That applies to all news services, for that matter.

There has come out, though, in the past couple of weeks two things from one news service that in a sense does affect the Press of the country as a whole.

The McClure Syndicate, as you probably know -- I don't know if you have all seen it -- they send out

to about 270 papers every week these (indicating) white sheets for publication which constitutes the column in these papers. Of course it is absolutely legitimate that they should collect this news at the White House or from Congress or anybody else. At the same time, with these white sheets for publication, there goes out a pink sheet as information for the editor, marked as being not for publication and is sent to the editor in confidence. Of course you and I know that that is not a news service in the strict sense of the word, but it goes out with the news service and you pay for the whole service at the same time.

Now, there are two things in here that I think you people ought to know about. As I say, this is off the record and just in the family. This pink slip (indicating) dated May 14-15, has the following:

"Unchecked. A New York specialist high in the medical field is authority for the following, which is given in the strictest confidence to editors:

"'Towards the end of last month Mr. Roosevelt was found in a coma at his desk. Medical examination disclosed the neck rash which is typical of certain disturbing symptoms. Immediate

treatment of the most skilled kind was indicated, with complete privacy and detachment from official duties. Hence the trip to southern waters, with no newspaper men on board and a naval convoy which cannot be penetrated.

"'The unusual activities of Vice President Garner are believed to be in connection with the current situation and its possible developments.'

"Checking has been impossible."

That is number one. (Laughter)

Number 2. This is from the McClure Newspaper Syndicate of May 12-13:

"At a recent private dinner in New York an official of the American Cyanamid expressed in extreme form the bitterness towards the administration which is typical of the personal reactions of many right-wing leaders in business and finance.

"The gentleman in question asserted in so many words that 'the paranoiac in the White House' is destroying the nation, that a couple of well-placed bullets would be the best thing for the country, and that he for one would buy a bottle of champagne as quick as he could get it to celebrate such news."

That is all I wanted to tell you because, after all, all I think I have to do is to repeat that I have been in favor, as you all know, of any legitimate news reporting or news service, no matter what its origin may be and no matter whether for friendly papers or hostile papers -- it makes no difference.

Q Is that off the record?

THE PRESIDENT: Yes, absolutely.

Q Is that signed?

THE PRESIDENT: It is sent out by the McClure Newspaper Syndicate.

Q Unsigned?

THE PRESIDENT: Richard Waldo is editor.

Q How about that clipping?

THE PRESIDENT: That was clipped out of another paper. It was used by a radical paper in order to point out the terrible things that are being said by the conservatives, but it has been used in the press.

Q But the original pink sheet -- you read from the original sheet?

THE PRESIDENT: Yes, there it is (indicating). That is the one. I have not got a copy of the other one but suppose we have it somewhere. That is the pink slip that goes out.

Q I did not mean to interrupt you. Have you more to say?

THE PRESIDENT: No; I think we understand each other very well. We have been friends for a good many years and I am very very keen that the press should retain and the newspapers of the country -- not only our particular family group -- the admirable relationships and high regard we have always had.

Q There is no doubt about the second one -- it is the pink slip.

THE PRESIDENT: And it is alleged to be in this paper.

MR. EARLY: It was only received this afternoon and we have not had time to check against it.

Q That is not newspaper reporting.

THE PRESIDENT: That is just it, it is not newspaper reporting.

Q Have you taken the matter up with the syndicate?

THE PRESIDENT: No, certainly not.

Q Isn't that second one actionable under law?

THE PRESIDENT: You know, that does not make any difference at all. The President of the United States does not sue for libel and the Department of Justice does not proceed libelly.

Q Is it due to the syndicate itself. It might be a fraud?

(Laughter)

MR. EARLY: It was checked with Mr. Waldo and Mr. Waldo promised to retract the pink slip with reference to the

coma and the President's compulsion to make the trip south if the White House would issue an official denial. Of course the White House would not do it.

Q How much of this is off the record?

THE PRESIDENT: It is all off the record; all strictly in the family and nothing else, because I thought you people were entitled to know some of the things that go on that none of us approve of. Neither you, nor I, nor the public, nor I believe the great majority of editors would approve of it.

So, that is all right; the Committee will now recess.

The only thing I can tell you, I think, is that I am going to send up, within a day or two, the Buenos Aires treaties to the Senate. I have them here on the desk and they are going to go up in two or three days.

Q Which treaties are those?

THE PRESIDENT: The treaties resulting from the Buenos Aires Conference in December.

Q As we came in we heard the band playing on the lawn. Is there any special significance to that?

THE PRESIDENT: I think the point is well taken. (Laughter)

Q It is the Grass Roots Convention, I guess. (Laughter)

THE PRESIDENT: That is all right, Fred (Essary).

Q Some time ago there was made public a communication you sent to the heads of departments and bureaus, asking for suggestions as to what they could do in the way of economy in the current year and they were asked to report to you or Dan Bell by May 1. Is there anything you can tell us on that?

THE PRESIDENT: I have not checked the figures, except to say that they have reported and that we expect to make the economies. I see no reason why Dan should not give you the figures. There has been excellent cooperation.

Q Will it include the Army Housing Bill of $71,000,000?

THE PRESIDENT: That was an authorization bill, not an appropriation bill.

Q In connection with the Buenos Aires treaties, is it the desire that they should be considered prior to the Argentine Sanitary Convention?

THE PRESIDENT: I don't know.

Q There seems to be a strange temerity here today, about asking about the Supreme Court. One of the Senators, who has been discussed as a possible Associate, said he would be disqualified and necessarily the others would be who voted for the Supreme Court retirement on the theory that they had changed the emoluments of office. Is that your construction?

THE PRESIDENT: Honestly, I have not thought of it. I have not given any consideration in relation to an appointment and I don't know. That is a brand, new one. I would hate even to give a snap judgment on it.

Q Will Justice Van Devanter's retirement affect your program in connection with the Court program?

THE PRESIDENT: I don't think there is any news in that.

Q Are you insisting on an enactment of legislation this session?

THE PRESIDENT: I am not insisting on the enactment of any legislation this session. What I have said all along was that if we could get some further step forward in our general objectives, it would be a good thing -- a desirable thing.

Q What is your general impression of the bill that was submitted to the House by the group of farm leaders which were called here by Wallace?

THE PRESIDENT: I have not read it. I probably will read it tomorrow or the next day. But the point, I think, should be made that this bill, as I understand it, was primarily the production -- came from the farm leaders and was not written by the Department of Agriculture. But, taking it by and large, the Department feels that it

is along the right lines -- the principles are pretty good and the thing is being taken up now, I think, in the House Committee. But as to whether it will go through with the changes or not, I don't know.

Q Mr. President, when will your legislation or suggestions of legislation for maximum hours and minimum wages be ready for Congress?

THE PRESIDENT: Did you say when?

Q Yes sir.

THE PRESIDENT: Isn't that assuming that it is going up?

Q We have all understood that it would go up.

THE PRESIDENT: I think your guess is pretty good that there will be something on it, recommended.

Q Soon?

THE PRESIDENT: I cannot tell you; but I should say fairly soon.

Q Can you give us a list of the highly desirable legislation for this session?

THE PRESIDENT: I haven't had time to write it out as yet.

Q Can you tell us what you discussed with Senators Harrison and Byrnes today?

THE PRESIDENT: Budgetary-wide matters.

Q Economy?

THE PRESIDENT: Well, of course budgetary matters are always related to economy.

Q Mr. President, do you expect to make an appointment to the Supreme Court soon?

THE PRESIDENT: I haven't thought about it at all. Absolutely no consideration.

Q Under the law, if the vacancy occurs on June 2 and Congress is in session, you will have to send it in before the end of the session. Isn't that true?

THE PRESIDENT: I think so.

Q Do you still think it is a good rule not to appoint anybody to the Federal bench who is over 60?

THE PRESIDENT: I haven't given any consideration to it at all.

Q You announced that rule?

THE PRESIDENT: You also must remember that I have, fairly recently, promoted one or two District Judges to the Circuit Court of Appeals who were over 60 -- as a promotion.

Q We were thinking of original appointments.

THE PRESIDENT: I haven't given any consideration to it at this time.

Q Have you reached any decision on the Interstate Commerce Commission -- Commissioners Eastman and Tate?

THE PRESIDENT: I haven't thought of it at all. When do they expire?

Q They have already expired --

THE PRESIDENT: Really, but they are still doing business all right.

Q Will there be a special message on power soon?

THE PRESIDENT: Not on power.

Q On flood control and power?

THE PRESIDENT: No.

Q It has been reported that you, personally, intervened to turn thumbs down on the Trans-Atlantic Races in August; is that correct?

THE PRESIDENT: No. That was handled entirely between Commerce and State.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #368
Executive Offices of the White House,
May 21st, 1937 - 10.40 A.M.

(Present: Senator Pepper of Florida)

THE PRESIDENT: Good morning. I had a most interesting smoke the other day - a perfectly delicious cigarette. Where do you suppose it was made? In Palestine. This Lord Melshire (?) who has been over here is quite strong on the Zionist movement.

Q Does it have any American tobacco?

THE PRESIDENT: The interesting thing is that it is a sort of cross between Virginia tobacco and Turkish tobacco.

Q Is it rolled like ours?

THE PRESIDENT: It is rolled over, which I don't like, but it is rolled loose, which is our style.

Q Has it a Turkish flavor?

THE PRESIDENT: No, it is more like ours. You see, these (indicating an American cigarette) have a little Turkish flavor in them.

Q They are mild?

THE PRESIDENT: They are very mild. You cannot buy them over here but they sell for about the same price as ours.

MR. DONALDSON: All in.

THE PRESIDENT: (Addressing himself to Mr. Young in an undertone) Wouldn't it be funny if the announcement came out in the press that the President had discovered a Jewish cigarette?

THE PRESIDENT: I don't believe there is any news this morning.

Q Do you intend to confirm the Senate nomination of Senator Robinson to the Supreme Court? (Laughter)

Q Get out your rubber stamp.

THE PRESIDENT: I'm afraid I will have to tell you the truth. I have not considered the Supreme Court vacancy at all. Really, not at all. And I don't expect to for some time and, when I do, I am not going to tell you. Anything you write should be headed, "Surmise Number 23."

There isn't any news on it and, by gosh, there won't be any news on it. I think that is the easiest thing I can say.

Q You are not likely to appoint anybody until the present Justice gets off the bench, are you?

THE PRESIDENT: And there again, if I was to say anything

about the time element you'd probably, quite properly, write a surmise, so I'm not going to say anything about the time element.

Q Mr. President, do you care to comment on the question as to who should take precedence over Philippine officials?

THE PRESIDENT: I never heard of it.

Q Mr. President, will the Treaties go up today - the Buenos Aires?

THE PRESIDENT: I expected to send them up today but the Senate is not in session so they will be held here until Monday.

Q Can you tell us anything about your conference yesterday with Congressman Whittington of the House Flood Control Committee and the one you are going to have with Congressman Snyder of the War Department Appropriations Sub-committee?

THE PRESIDENT: I don't know what Congressman Snyder is talking about, but Judge Whittington and I, with Mr. Bell, talked over methods of getting more money for the flood areas, especially those areas which have had floods this spring in the Ohio [Valley], without busting the Budget and we think we found a pretty good way.

We would have available about eleven million dollars of relief labor during the coming year which would be put in those areas on the flood control work, in those localities where it is most needed. That would be in addition to the recommendation of the Budget. It is nearly twelve million dollars and might, in practice, when we come down to it, run a little bit higher by other methods that we are exploring at the present time.

Some very interesting things happen in that Ohio Valley. There are a few communities where it is almost impossible to guarantee them against future floods, comparatively small communities, where there is a certain portion of the town right down next to the river. They are studying the possibility now of turning that part of the town into a park and playground and literally moving the population of the town in that area into higher land. In work of that kind, the RFC is seeing whether it can be of any help and so is the PWA. It would require what might be called a consolidated financing to move that portion of the population up to higher ground but probably would save money in the long run.

Q Mr. President, can you say anything about the status of Government reorganization? There seem to be a lot of conferences about it.

THE PRESIDENT: Why, I talked with seven - I think it was seven - House Members yesterday and there is nothing to report except progress. They are getting on very well. The Joint Committee is meeting again, I think, in a day or two. Probably the legislation will come out fairly soon.

Q Is there anything to be said about the possibility or probability of the Trade Agreement with Great Britain --

THE PRESIDENT: I haven't heard anything on that.

Q Would you care to comment on the proposal of the Civil Service Commission to reduce the age limit for retirement? I think they took it up with you yesterday.

THE PRESIDENT: Yes. I did not come to any decision at all.

Q Will Chairman Landis get a sort of extension in office when his commission expires?

THE PRESIDENT: I have not thought about the matter. I want him to stay on just as long as he can before he goes to law school.

Q Will you say anything more about the Civil Service Commission except that you came to no decision?

THE PRESIDENT: I think that is all at the present time.

Q Was the cost too great?

THE PRESIDENT: No - no decision on the proposal.

Q Secretary Morgenthau is reported or represented as being opposed to a general international monetary conference. I wonder if there is anything you can say about your attitude on these things.

THE PRESIDENT: I don't think there is anything one can say intelligently on it at the present time except possibly one suggestion and that is, what would be the effective use of an international conference unless one knew that it would result in good? Large question mark!

Q In connection with that can you say anything at all about the reports Mr. Norman Davis brought back to you on general conditions in Europe?

THE PRESIDENT: He was over there on sugar.

Q Yes, but he carried on conversations on other subjects in London.

THE PRESIDENT: Naturally; when anybody comes back from

the other side you say, "Did you have a good time? What was the general feeling about the price of eggs, besides sugar?" That is just general, pleasant conversation.

Q Mr. President, did you tell Grover Whalen how much you would be willing to approve for the New York World's Fair?

THE PRESIDENT: No.

Q Did he ask for a specific sum?

THE PRESIDENT: Yes.

Q How much?

THE PRESIDENT: He asked for all he could get.

Q Would you consider three million dollars?

THE PRESIDENT: I referred it to the Congress.

You know, on that veto of the bill - this is off the record - reading the Herald-Tribune editorial this morning carries me back to 1929 in Albany when, on the general appropriation bill for running the State Government, the Legislature, a Republican Legislature, stuck a little clause in, relating to about twenty or twenty-five million dollars, providing that it could not be spent by the Governor, they appropriated

it all right, but it could not be spent, without the approval of the two finance Chairmen of the Assembly and Senate. Well, I vetoed it once and twice and finally, the third time, so as to let the people go home, I signed the bill and took it to court. At that time all the bad cat papers said it was a terrible thing for the Governor of the State to object to legislative checks on unbridled spending. Of course, as a matter of fact, it was a very, very deep constitutional issue involved. It was one of the most fundamental things you could get. If I would let that get by up in Albany, there would have been no reason why - nothing to have prevented the Legislature of the State, on every appropriation bill, from saying, "Now, Governor, you and your department heads cannot spend one red cent of this unless we approve of the method of spending it, unless you, to be quite frank, go along with us on administration."

Well, the thing came up in the lower court and I duly lost, and then I took it up to the Court of Appeals and I shopped around for quite a long while

in New York to see if I could get some very, very well known lawyer who would take the case. I tried some prominent Democrats and some prominent Republicans. No, they didn't like it because they went along with the bad cat editorials and then I found old William D. Guthrie and he said, "You have an issue here that is absolutely fundamental." He took the case and he argued it before the Court of Appeals and I got a very good and commending decision from the Court of Appeals upholding the division between the judicial, the legislative and the administrative duties of government. But by far and away the most important reason for fighting it was that somebody, some time, had to draw the line between the duties of the legislative and executive branches of government. It has been done and, of course, it will be sustained.

Q May I ask you another question about the Civil Service matter? Do you expect another visit from the Commission?

THE PRESIDENT: Oh, yes. This thing has been going on for a long time. As a matter of fact, one of our difficulties on the question of retirement is that the law

now is entirely different in its relationship to different departments of the Government. We want to standardize a great deal more than we do at the present time. But I doubt very much if there will be anything at this session of Congress because it is too complicated a thing.

Q How is your message on national planning coming along?

THE PRESIDENT: Very well, very well. You have got it right. I should say, offhand, it will probably go up next week.

Q Mr. President, have you and Senator Pepper been discussing the Florida ship canal?

THE PRESIDENT: Not yet, we have only talked about three or four minutes. I don't know what we are going to talk about after this press conference.

MR. YOUNG: Thank you, Mr. President.

PRESS CONFERENCE No. 369 Washington, D. C., May 25, 1937 4:05 P.M.

THE PRESIDENT: I have only one thing. I have sent to the two Chairmen of the Military Affairs Committees of the House and Senate a copy of the report on helium from the Secretary of the Interior, and the Secretaries of State, War, Navy and Commerce, in which they point out that virtually the United States Government is the only large producer in the world and there is only one more private company. They recommend that, if satisfactory terms with this small private company can be arranged, the Government buy it, thereby giving it a practical monopoly on helium. They recommend that we continue to sell it for experimental use, which is mostly medical use, and that in regard to lighter than air craft, in accordance with the Good Neighbor policy, we should let other nations have any unneeded surplus for the promotion of commerce, safeguarding of lives of passengers, on condition that this use in commerce be properly guarded against military use. That report is going up to the Hill. Steve will let you have copies of the report, I think, in a few minutes. Want to have it done now, Steve?

MR. EARLY: Yes, sir.

Q: Will you make any comment on that report?

A: It sounded like very good common sense.

Q: What is the object of buying the small private plant?

A: Additional supplies. Probably, if we have the whole thing we can produce cheaper than they can.

Q: That is the Louisville plant, is it not, Mr. President?

A: Yes. We talked about buying it two years ago, I think, Ulric, and the price was much too high.

Q: Mr. President, does the report say what would be considered proper safeguards against military use?

A: No, it does not go into that.

Q: Will you indicate that?

A: No, it does not go into that and I don't know. That will have to be worked out.

Q: We were hearing suggestions last night and today that the Social Security may be extended. Senator Wagner made some suggestions and the statement was made last night to the general effect that it might be extended to the farm labor and domestic labor. Also that it might include health insurance eventually. Have you given any thought to it?

A: Fred (Essary), all I can say is that it was about last October or November that the Social Security Board itself began talking about minor exceptions, such as increasing the amount of benefits for dependent children or crippled children to bring them up more nearly to the amount that widows were getting per capita. There have been various plans, all of which would cost more money, naturally. They all related -- all these plans related to exceptions to the kind of social security provided under the bill. In December, when we were doing the budget, we all agreed that this year -- this calendar year -- should go by without anything done

on it by this session of Congress. In other words, we wanted to see how this worked out before making any determination in regard to any changes.

Q: Then it was the budget matter rather than any uncertainty over Court action that caused it to go over?

A: Yes.

Q: Can you say anything about the Court action? Has it changed your plans?

A: I don't think there is any comment. I think that is a very obvious thing. I tell you what I can, though, if you want something for background -- something very simple. I think we are all -- looking at the thing from the large point of view -- all very, very happy over the decisions of yesterday, and I think we are all happy that in the days to come the same human point of view will prevail, but of course there are a great many things that have not been passed on yet -- an enormous number of things. Well, just for example, that message that I sent up yesterday involved three -- four fairly important changes in national policy. As to child labor, it would involve a direct reversal of a direct decision. We hope that that reversal will take place. If it does take place, and somebody is almost sure to take it up to the Court, we come to the second phase, which is minimum wages, and of course the theory under which the Government can enter the field that people get decent wages is exactly the same theory as child labor. That would have to be passed on. Limitation of

maximum hours would have to be passed on. Goods manufactured under inferior employment conditions, such as refusal to bargain collectively, -- that would have to be passed on.

There, just in one message, there are four new issues raised, which, in all human probability, will some day come before the Court. And, of course, there are a great many things that have occurred in the past that still have not been ruled on. We do not know anything about T. V. A. The T. V. A. decision related only in effect to the Wilson Dam. The same things may come up on Boulder Dam -- Bonneville, and lots of other places. Then there is flood control on the Ohio watershed. These things I have not thought out at all. They are just popping into my mind. The question, for instance, if a municipality wants to have its own electric light plant -- the question whether they can borrow money from the Federal Government. We assume they can because they can borrow money from the Federal Government for hospitals, or sewers or new streets. Can they get a grant in any way from either W. P. A. or P. W. A. or any assistance? That question has not been ruled on. And so it goes. And I suppose there are half a dozen other things that have not been ruled upon as yet by the Supreme Court and they are all very, very vital propositions. For instance, here is another one: The question is, can the Federal Government, in entering upon a housing project, can they condemn land? And so it goes.

Q: (Russell Young) Mr. President, taking it from what you say, it is not what the Supreme Court is doing now, it is what it

will do in the future.

A: Continuing process.

Q: This is all non-attributable?

A: No, this is just background.

MR. EARLY: Background is attribution. You mean attribution?

A: You can use it for attribution. That is all right. You can use it without quotation, of course.

Q: The emergency that originally called for action on the Court plan this session -- do you think that has passed now?

A: I will let you do your own imagining.

Q: Can you comment on another report from Europe at this time -- from Mussolini -- that World Arms Limitation Conference would be a success if you called it?

A: I have not seen or heard it. When did it come out?

Q: Today.

A: I have not seen it.

Q: What has happened to the Buenos Aires Treaties?

A: No Senate today. They will be sent up tomorrow.

Q: Last summer the Democratic Party at Convention pledged itself to seek some sort of a Congressional inquiry into suffrage in the District of Columbia. Have you given any consideration to that this session?

A: I have not at all.

Q: President Quezon, of the Philippines, has returned to New York. Has he any engagement with you?

A: I think I am going to see him. The actual time has not been arranged but he will undoubtedly see me very soon after he gets to Washington.

Q: Returning to the helium question. Can you explain the purpose of sending such report to Congress. I believe you have the power to export a certain amount of helium.

A: I think probably the chief reason was that there have been a number of bills introduced on the Hill for it, and a number of speeches made on it and this is primarily for the information of Congress.

Q: Has any decision been reached on the immediate question of sending helium to Germany to be used over there?

A: I do not know anything about it. Have they applied? Is there a formal application in?

MR. EARLY: Dr. Eckener is supposed to be in Washington now.

A: I think Dr. Eckener is here now conferring at the present time.

Q: What becomes of the position that Senator Berry, of Tennessee, held originally in the Government? I think it was Industrial Cooperator or Coordinator.

A: Fred (Essary), I have not been back long enough to find out. You ought to find out.

Q: (by Fred Essary) One of my timid colleagues put me up to that question.

A: I will ask Steve to find out before the next meeting.

MR. EARLY: I will have to pass that on to Rudolph.

Q: Can you say anything on the action of the House in earmarking $300,000,000 for P. W. A. and $55,000,000 for flood control?

A: I will have to read the Resolution first. Of course the only thing you can work into it is that for every dollar that is earmarked out of the billion and a half for W. P. A. you have to consider whether by using it in the earmarked way you are getting fewer people jobs. Now, that would have to be studied.

Q: That is the test?

A: That is the test. It is the question of getting fewer people jobs from the relief rolls. I am not talking about indirect labor.

RUSSELL YOUNG: Thank you, sir.

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(End of Conference)

CONFIDENTIAL
Press Conference #370
Executive Offices of the White House
May 28th, 1937 - 12.10 P.M.

THE PRESIDENT: Well, I think the only news I have got is that I am going to leave here tomorrow night and get to Hyde Park Sunday morning, and I am coming back either Monday night or Tuesday, so that I will be here either Tuesday morning or Wednesday morning. I can not tell when.

Q Have you any remark to make on tax evasion?

THE PRESIDENT: That is a matter on which we have been studying and we are continuing to study and there will be something on it when we are ready to shoot. There seems to be quite a serious situation.

Q There was a story this morning that you were going to get a hundred to a hundred and fifty millionaires who had been forming corporations and so forth.

THE PRESIDENT: Well, the thing is being studied.

Q Are you going to ask for a Congressional investigation of what the New York Times says?

THE PRESIDENT: I cannot tell you until we have gone further with our studies.

Q Can you tell us whether you have received reports of very clear evasions?

THE PRESIDENT: Yes, that is true, we have.

Q Is that individuals or corporations?

THE PRESIDENT: No, individuals. Of course, on the corporation end, we are not ready yet to go ahead with our studies because so many corporations this year asked for extensions and their returns are not in as yet. A very large number have asked for extensions so this relates primarily to individuals.

Q Does it involve any illegality or merely take advantage of the law?

THE PRESIDENT: Both.

Q In other words, it is avoidance and evasion, both?

THE PRESIDENT: Yes.

Q Legal avoidance.

THE PRESIDENT: Yes, and of course it raises, very largely, a general moral issue.

Q Mr. President, has this asking for extensions on the part of corporations reduced the current tax collections? Is that one of the elements in reducing current tax collections?

THE PRESIDENT: No; to a certain extent, yes, but not very much. In other words, when a corporation asks for an extension, as I understand it, they pay in their estimated one-quarter, or whatever it is, as of the fifteenth of March. Then, when the return comes in, it will give the final amount from their point of view and, of course, the chances are that they would not put in on the fifteenth of March more than what their final returns would be. The chances are they would put in a little bit less, so that there would be some kind of additional payment but not very much.

Q Do you expect that there will be any prosecution?

THE PRESIDENT: Well, that is a thing that the lawyers have got to tell you in the individual cases.

Q Mr. President, can you tell me, have you determined whether any legislation will be necessary?

THE PRESIDENT: No question but what there will have to be legislation.

Q Will that be in this session or the next?

THE PRESIDENT: Well, there ought to be some in this session in order to plug obvious loopholes for those cases that, so far, have been turned up. But, every

day that goes by they are turning up new types of cases. The big question, of course, is the moral issue. If Congress passes a tax law in good faith and tries, with the help of its experts because, as we all know, they have all kinds of experts attached to the two Committees on the Hill and they try to think of every possible loophole; if Congress passes the act in good faith and then somebody comes along and through the aid of high-priced lawyers discovers some - invents - it is not discovers them but invents some new loophole, is that the moral thing to do or not, even if it is a legal thing? That is the big question.

Q Mr. President, can they invent a loophole if it is not there?

THE PRESIDENT: Yes. I think that is fair term. I will give you a simple example used in one or two papers this morning. A man owns a high-priced, an expensive yacht that costs him a hundred thousand dollars a year to run. Obviously, the yacht is for his own personal enjoyment and the Committees of Congress naturally suppose that he will pay for the upkeep

of the yacht out of his own income. Now, isn't it an invention if that man incorporates his yacht and turns over three million dollars of securities to the yacht so that the yacht is the owner of three million dollars of securities? Isn't that an invention? Sure it is. It is a very immoral invention. Unethical is another term you could apply to it. Then the corporation, out of the dividends on the securities owned by the corporation or owned by the yacht, pays the master and the crew and rents the yacht back to the owner of the yacht for a hundred dollars a year. It pays the depreciation on the yacht and thereby the owner of the yacht saves, let us say, fifty thousand dollars which otherwise he would have paid to the Government because if he had run the yacht himself he could not have deducted the wages of the master, of the crew, of the fuel, of the depreciation and so on.

Q Has there been an actual case of that kind?

THE PRESIDENT: Yes, and there will be a lot more.

Q Who is it? (Laughter)

Q Will that information come to light as to who does that?

THE PRESIDENT: I think undoubtedly. Of course, through the proper investigating authorities.

Q You are not ready now?

THE PRESIDENT: Certainly it is not up to me to publish the names. But, if there is an investigation and there is any substantial demand for it, the names will come out.

Q Can you give us any idea as to when you will make anything public?

THE PRESIDENT: I cannot tell you. I am afraid to give any date, but fairly soon.

Q Not until after you return from Hyde Park?

THE PRESIDENT: I cannot tell you; I don't know.

Q Has the Treasury given you any estimate of the aggregate amount of such avoidance?

THE PRESIDENT: We cannot tell yet because we have only just scratched the surface. In other words, these investigations have been confined to what might be called simple cases in simple Internal Revenue jurisdictions.

Q It does run into billions?

THE PRESIDENT: Oh, undoubtedly.

Q Does it apply to Social Security taxes or simply to income taxes? There have been reports --

THE PRESIDENT: Yes, that is one of the methods of evasion.

Q Is this an entirely new practice, or when was it first discovered?

THE PRESIDENT: Apparently it has been increasing in the last, perhaps, ten or fifteen years. It does not relate to any particular law or any particular law. But, during the past year, the practice seems to have accelerated - that is a very mild way of putting it. So that it is now just to the point where something ought to be done about it.

Q Has it been discussed with the individual taxpayer?

THE PRESIDENT: No; it hasn't got to that stage.

Q Anything to say about the situation on the relief bill in the House?

THE PRESIDENT: Well, I guess you people know the situation just as well as I do. I think the only thing that can be said is that we do have to differentiate between a relief bill and a public works bill. Probably a great many of these individual cases are going to be straightened out and worked out in the House

before we get through. At the present time, with all the various limitations that have been put on, it means, in effect, that the five hundred and five million dollars that have been earmarked would take about a hundred thousand people off the relief rolls directly, whereas the same amount of funds expended through WPA would provide for employment of six hundred and thirty thousand people. I think that is the most easily understood result of earmarking.

Q Do you mean a hundred thousand people or five hundred thousand people?

THE PRESIDENT: I mean a hundred thousand people.

Q You mean a hundred thousand fewer people?

THE PRESIDENT: No; I mean five hundred and thirty thousand fewer. I will repeat it. The five hundred and five millions would give employment to only a hundred thousand people from the relief rolls, whereas if it were not earmarked the same amount of money would give employment to six hundred and thirty thousand people. Therefore, that one item alone would cut down the total number of people from the relief rolls by five hundred and thirty thousand.

Q Are you going to confer with the bloc leaders?

THE PRESIDENT: I think they all understand it. As to individual projects, I will talk to them about it if they want to talk about it.

Q Have you given any attention to the Food and Drug Bill which has reached a state of suspended animation?

THE PRESIDENT: I don't know the status; where is it?

Q With the House Subcommittee and there seems to be a difference of opinion between the Food and Drug Administration and the Federal Trade Commission.

THE PRESIDENT: I don't believe the jurisdiction end of it is the real problem. I believe there is something else in it.

Q Do you desire, at this session, legislation on the principle of the ever-normal granary bill?

THE PRESIDENT: Am I going to send a message on it? I don't know.

Q Are you in favor of some legislation being enacted?

THE PRESIDENT: I hope so.

Q As the bill is written now?

THE PRESIDENT: No, the principle of the bill.

Q Will you send a message?

THE PRESIDENT: I don't know.

Q Do you expect to have further talks with Congressmen on the relief situation?

THE PRESIDENT: I cannot talk with them all. I think there are one or two now talking it over with various people.

Q You do not expect to send any message?

THE PRESIDENT: No.

Q Do you expect to confer with any Congressional leaders on this tax evasion matter in the next few days?

THE PRESIDENT: I have, already.

Q Senator Harrison and Chairman Doughton?

THE PRESIDENT: Yes.

Q Have you asked the Interior Department for a specific report regarding various official and unofficial investigations of the Adminstration in Porto Rico?

THE PRESIDENT: I think the Governor arrives this morning and also Dr. Gruening. I think there won't be anything done until the Secretary confers with then.

Q Have you asked for a report on the situation?

THE PRESIDENT: Not a written report. I talked to the Secretary of the Interior about it.

I think in the tax evasion story, one thing ought

to be made pretty clear and that is that this kind of tax evasion pays only for people in the very, very high brackets and does not apply to the very great majority of income tax payers. The overwhelming majority are absolutely honest and file absolutely honest returns, fiscal returns - put it that way. Those who evade comprise a very, very small group and in the evasion by the small group, of course, they are hitting all the other taxpayers. They are are not only hurting themselves but hitting all the other taxpayers in this country of every kind.

Q Is most of this evasion through the use of the corporate system?

THE PRESIDENT: Oh, that is one of them. There are lots of other ways, too.

Q Have you decided when you are going to send your message on regional planning, tariff, et cetera?

THE PRESIDENT: No, I have not; possibly next week.

MR. YOUNG: Thank you, Mr. President.

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CONFIDENTIAL
Press Conference #371
White House Executive Offices

June 4, 1937, 11 A.M.

THE PRESIDENT: I am awfully sorry we got off to such a late start this morning.

Q Mac must have been telling you stories?

THE PRESIDENT: Even Mac came over this morning and told me stories. I just could not get started. I do not think there is any particular news.

Q Tell us about your conversation with Senator Robinson last night?

THE PRESIDENT: He told you about that?

Q Not in very great detail.

THE PRESIDENT: I do not think there is any particular information that he did not give you. Let me put it this way: If I were writing the story I think I would stress what has been stressed in some of the papers where it happens to be the fact and in some of the other papers it does not happen to be the fact. All you people down here were all right, but on the Hill they wrote the story yesterday afternoon that the court reform had been abandoned. Of course, that is plain silly. None of those stories came from the White House correspondents. But, in regard to the

rest of it, this is a question of court reform and court reform not only ought to be considered but I think it is going to be carried through without question. That goes all the way up or down, from the District Court to the Supreme Court and vice versa.

I think we have seen things happen in the recent pastthat the country as a whole understands very well. In other words, the country sees the forest and a lot of people in Washington are all busy seeing the trees instead of the forest. We had an illustration last week showing the need of court reform. The court, going away the second day of June for four months, decides in four different cases that very very important matters to the Government -- to the people of the country -- have got to go over anywhere from six or eight months to perhaps a year and a half. The TVA cases, where we had a very important program held up, that again is put over until Lord knows when. The PWA cases, where, as I remember it, we had had something like six decisions, all favorable, in the six different circuits -- none adverse -- instead of deciding the thing they decided to hold arguments on it some time

next fall or maybe next year before they get to it.

Then there were the Social Security cases, where both sides had asked for a decision. It is very important for the whole country. That was put over until next year.

Q (Fred Essary) What case, sir, was that?

THE PRESIDENT: The SEC -- not Social Security.

And, of course, somebody talked about the Supreme Court going away. Well, they have a perfect right to take a holiday. Nothing in the statutes to prevent it. In fact, I checked up on the statutes and the statutes said the Supreme Court shall hold at the seat of Government one term annually, commencing on the first Monday in October, and such adjourned or special terms as it may find necessary for the disposition of business. In other words there is nothing in it except the court's own volition relating to summer recesses. In going away, they put over -- they cleared the docket except for those cases and in those six cases they had all been argued but they put them over for reargument next fall. I think the act speaks for itself.

Then you have got another subject relating to

court reform and that relates to the docket of the lower courts. Well, of course the Supreme Court has always been looked on, not so much by statute but partly by statute and partly because they have an inherent right to help the lower courts keep up with their work -- have been looked on as sort of a father of the lower courts. Yet we have one or two situations at the present time where we are getting no help at all -- the Government has been getting no help. There is, for example, that famous aluminum case. As you know, in that case we started suit in the second circuit and a Judge in the third circuit district court enjoined the Government. The order was made final. Well, under the law, there seems to be no method except to carry that up through the circuit court of appeals to the Supreme Court. Under the normal run of luck, we might get a decision a year from now. Meanwhile, a very important anti-monopoly suit is held up. Of course it could be cured by legislation, but there is no suggestion from the highest court in the land that that kind of thing be remedied.

The people do want court reform. They want cases in some of the district courts tried within a reasonable length of time, inside of a year or preferably six months. Today they cannot be tried for three years. It works against the poor man. In other words, taking it by and large, the desire of the country for court reform is going through. There is no question about that -- and that is the forest.

Q At this session of Congress?

THE PRESIDENT: Yes, sir; I think so.

Q Do you prefer the idea that they dig in and go through --instead of a recess during the summer months?

THE PRESIDENT: I don't know anything about that. It is entirely within their discretion. I have not heard anything about that.

Q (Philip Pearl) How about the number of judges as provided for under the original bill?

THE PRESIDENT: That again is trees. You are talking about trees and I am talking about the forest.

Q What kind of trees?

THE PRESIDENT: Phil Pearl, tree expert, first cousin to Governor Davey.

Q (Fred Essary) There has been some discussion --

Senator Robinson last evening gave the impression that a two addition compromise might be acceptable to the White House.

THE PRESIDENT: Again you are speaking about trees.

Q (Fred Essary) I beg pardon?

THE PRESIDENT: Trees -- I am talking about court reform and you are talking about trees.

Q Let us talk about trees. (Laughter)

Q How many trees make a forest? (Laughter)

THE PRESIDENT: How old is Anne? (Laughter) I don't think that there are any more messages that I know of going to the Hill. Now that is a real piece of news. In other words, I have not got anything else on my desk.

Q Mr. President, referring to your message yesterday on planning, flood control and power: Will that hold up in any way the flood control projects already authorized?

THE PRESIDENT: Oh, no. It has nothing to do with that.

Q In other words, the program goes through without reference to the planning agency?

THE PRESIDENT: Yes. Of course the only qualification to that is this: As you know, we have on the statute books at the present time -- oh, I have forgotten the

figure -- didn't I say the other day that there are about two billion dollars of authorized projects of all kinds in the country? Well, of course a great many projects which are authorized in large batches for years ahead never do get any appropriations. We all know that. That depends entirely on each succeeding Congress because after a thing has been on the authorized list for four or five years, the Congress may decide to go ahead or it may decide not to do anything about it.

Q Isn't "successive" a better word than "succeeding" for Congress?

THE PRESIDENT: Yes, if you want to put it that way.

Q Have you received the resignation of Admiral Wiley from the Maritime Commission?

THE PRESIDENT: No. That is a brand new one -- never heard of it.

Q There have been many reports abroad that there is a statement due from the signatories or adherents to the tripartite monetary agreement concerning gold. Do you know of any statement coming up?

THE PRESIDENT: Not a thing.

Q Any change in the gold policy?

THE PRESIDENT: Not at all.

Q There seems to be something of a panic in London today, based on the report --

THE PRESIDENT: What is it, over-supply or under-supply.

Q A great deal of gold is coming out of hoarding -- about one billion --

THE PRESIDENT: I would not worry much about that gold situation.

Q Has the Executive Order of PWA with regard to relief labor been repealed yet?

THE PRESIDENT: No. The bill has not been reported out yet, has it.

Q No, it is still in committee?

Q Did Senator Robinson discuss the legislation with you, sir?

THE PRESIDENT: Yes.

Q Has the President a legislative program now?

THE PRESIDENT: I think he told you about it last night.

Q (Mr. Young) That would be all right, sir?

THE PRESIDENT: Yes, that would be all right.

Q To go back to the National Planning Bill: What is its relation to the St. Lawrence Waterway and Quoddy?

THE PRESIDENT: That is a pretty broad question. It depends entirely how they set up these planning commissions. I don't know whether the St. Lawrence

Waterway would come under the Ohio and Great Lakes or whether it would come under the Eastern Seaboard. In other words, it is one jump ahead of the game. I don't know. But it would have nothing to do with the treaty with Canada, of course, because these are only planning commissions and that would be only a planning commission. You see, of all these agencies that are proposed, there would only be three -- really only two -- that would have any administrative functions at all. One would be the TVA in that area and the other would be the Columbia Basin when the Bonneville Dam Bill goes through. Another is the existing agency of the Mississippi Valley Commission.

Q Are you referring to the House Bill as distinct from the Norris Bill when you say that?

THE PRESIDENT: To tell the honest truth, I have not read either so I cannot answer the question.

Q Would the bill cover Quoddy?

THE PRESIDENT: Only the planning.

Q Have you anything to say on the use of helium by foreign nations?

THE PRESIDENT: Only the report of last week which I sent up to the Hill. Has anything happened up there?

Q Not that I know of. It may have, but you have nothing to say now?

THE PRESIDENT: No.

MR. RUSSELL YOUNG: Thank you, Mr. President.

THE PRESIDENT: You can put the lid on tomorrow at 1 o'clock. I am going down the river and will be back Sunday evening -- just down the river and back.

Q From here?

THE PRESIDENT: Yes, from here.

CONFIDENTIAL
Press Conference #372
White House Executive Offices,
June 8th, 1937 - 4.10 P.M.

THE PRESIDENT: I think that the only news is that I am sending up to the Speaker of the House a supplemental estimate of appropriation to the United States Maritime Commission for ten million dollars. And, in addition thereto, an authorization to contract for additional construction amounting to one hundred and fifty million dollars.

The reason for this is very simple: If we are going to have a Merchant Marine, we have got to buy a Merchant Marine.

Q Sir, was that last figure one hundred and fifty million dollars?

THE PRESIDENT: Yes, one hundred and fifty million dollars. Joe Kennedy will give you the details of this program. It is caused largely by the fact that we have not been building any ships and we are in a bad way. Except for oil tankers, there is not a single sea-going vessel of the passenger or combination or general cargo-carrying type under construction in an American ship-yard today and, for the fifteenth consecutive year not a single sea-going ship of the general cargo-carrying type has been built in an American ship-yard for foreign trade.

Q How many years was that, Mr. President?

THE PRESIDENT: The fifteenth consecutive year. This is approved by the Maritime Commission and the Budget Office and it is going up today.

Q Does that program take into consideration where those ships are going to be built?

THE PRESIDENT: In the United States.

Q I mean from the point of view of the capacity of ship-yards.

THE PRESIDENT: No. I suppose they will be built wherever they can be built properly.

Q What is the immediate ten million dollars for?

THE PRESIDENT: To start the program.

Q Is any part of this sum to be used as operating subsidies?

THE PRESIDENT: No, all ship-building.

Q Including that ten million dollars outright, sir?

THE PRESIDENT: Yes. It is part of what is called the construction fund for the U. S. Maritime Commission as of June 29, 1936, revolving fund.

Q Mr. President, does this show how many ships should be started under this program?

THE PRESIDENT: No. You will have to get those details from Joe. I have not got it here.

Q Do you know under what terms this money is spent?

THE PRESIDENT: You will have to get that from Joe.

Q Can we discuss with you the possibility of private financing for the twenty-five per cent that is necessary to build this program?

THE PRESIDENT: No. I suppose they are going to get it, otherwise the thing won't go ahead under the law.

Q There was some question as to whether they could finance it.

THE PRESIDENT: I assume he would not ask for the money unless he thought that the private financing could be arranged.

Q Does this include money for ships to succeed the Leviathan?

THE PRESIDENT: I don't know. I think that has already been provided for but I am not sure.

Q You said, "If we are to have a Merchant Marine we must buy a Merchant Marine." Are those the words you used?

THE PRESIDENT: Yes. In other words, putting up the money to build it, which is the same thing.

Q Is there any estimate of how much of this money would be spent in the next fiscal year?

THE PRESIDENT: No.

Q Mr. President, is this needed also as a naval auxiliary?

THE PRESIDENT: Well, they all become naval auxiliaries in case of war.

Q Mr. President, some of our columnists are becoming quite agitated about the fact that certain Federal employees will have to pay income taxes and others do not, etc. Is there anything you can say about that?

THE PRESIDENT: It is a perfectly simple thing. I have always advocated that employees of any Government agency should pay income taxes just like any other citizen. I always advocated that, but it seems to be a question of what they call constitutional law as to whether a State can tax a Federal salary or whether the Federal Government can tax a State salary. If it can be done by legislation in the States and in the Congress of the United States, that would be fine, but it is a great question as to whether it would be unconstitutional and I don't know.

Q The Constitution might be amended. (Laughter)

THE PRESIDENT: How soon? (Laughter)

Q Proposals have been made. It would mean quite a bit of money raised that way.

THE PRESIDENT: Maybe the States would ratify it and maybe they would not, I don't know.

Q There is another related subject: What about tax-exempt securities?

THE PRESIDENT: I've always felt the same thing about tax-exempt securities. I don't think there ought to be any. There again, I would say that you have to get a constitutional amendment for it. How long it would take to ratify that, the Lord only knows.

Q But not for Federal securities?

THE PRESIDENT: For all securities. All Government securities. As a matter of fact, you know the Federal bond issues for the last few years have not been exempt as to income or inheritance taxes.

Q The State cannot tax those anyway. The State income tax cannot apply to those - I mean those bond issues you are talking about.

THE PRESIDENT: That is another part of the problem.

Q Has the Treasury made any effort to determine the net loss through the issuance of tax-exempt bonds?

THE PRESIDENT: I imagine they have figures and that they are very large.

Q That would be offset somewhat by the increased interest rate on that?

THE PRESIDENT: Yes.

Q. Mr. President, can you say who is going to be the new Assistant Secretary of State?

THE PRESIDENT: No, I do not know yet.

Q How about the new Assistant Secretary of War, Mr. President?

THE PRESIDENT: I don't know yet, or the new Park Commissioner, or lots of other things. (Laughter)

Q Any comment on the resolution introduced in Congress yesterday to investigate the interference with mail in the strike area?

THE PRESIDENT: No. The only thing I know about it is that I read the debate in the record this morning. Senator Barkley and Senator Vandenberg and Senator Robinson all took part.

Q. Have you any comment on the report that Jim Dooling is trying to get New Deal support for Senator Copeland for Mayor of New York? (Laughter)

THE PRESIDENT: I suppose the proper answer on that is that it is purely a local matter. (Laughter) Which is, perhaps, more wicked than it sounds.

Q Mr. President, Senator Borah said that your wages and hours and child labor bill might well be amended to include an anti-monopoly law. Would you favor any such amendment as that?

THE PRESIDENT: I suppose it might be but you know I am always a little bit suspicious of any suggestions to make the passage of the law through Congress more complicated.

Q Mr. President, yesterday you sent this request from the striking steel workers to the Labor Board. After consideration they decided that they did not have jurisdiction to intervene in the steel strike. I wonder if you see any other possibilities of Federal intervention?

THE PRESIDENT: I have not had any report back from them. I don't know. Nor have I had any report from the Labor Department.

Q Mr. President, Mr. J. P. Morgan does not seem to agree with you as to income tax law evasion. Can you say anything on that?

THE PRESIDENT: Bob, I can tell you something off the record on that. A good friend of ours came in today and wanted to know how much Charley Michelson had paid Jack Morgan to make the statement. That is off the record, though. (Laughter)

MR. MICHELSON: And I refused to answer.

THE PRESIDENT: And Charley refused to answer.

Q Has any compromise been worked out on the Wagner Housing Bill?

THE PRESIDENT: Not yet. They are still striving manfully.

Q They are still hoping for it?

THE PRESIDENT: On the housing situation, I can talk for a second and give you some background on it. The problem seems to be this: Of course, we do want to start housing and we know one simple fact and that is that you cannot clear slums and get a return on your money to the extent of 100% of what you spent. You cannot do that and at the same time provide housing for the lowest income group. It just cannot be done. Like every other nation of the world - every other community where they have undertaken the problem, in order to secure low enough rents for the lowest income group, you have got to make a gift of some kind through a Government agency. Such gift would come either through the Federal Government or the State Government or the local government and would be a gift of money or a gift of labor or a gift of tax-remission or all three combined. It seems to be, of course, varying in different com-

munities but, on the average, both in Europe and here, somebody has to provide about 40% as a gift towards the project where it is to benefit the lowest income group. In other words, they will only return a low percentage of interest and amortization on about six per cent of the cost. Now, as I say, that varies slightly down to 50% or up to 65 or 70% depending on the community.

So, there are the two theories, one the original suggestion in the Wagner Bill that that contribution should be in the form of an annual subsidy over a very long period of years - as high, as I remember it, as sixty years - obligating governments of various kinds such as State and Federal and local, for that length of time ahead. The money would be used to reduce the rentals and bring them within the low income group. Under that method we probably would get more slums cleared away. There would be a larger building operation than under the other method.

The other method does not obligate governments over a long period of years ahead but makes a gift - a donation - to the extent of approximately, say, 40%. Again that is a combination of Federal, State and municipal. On that basis private capital can be borrowed for the other 60% with or without some kind of guarantee, like the Federal Housing Act, and pay itself out.

In that case, you do not get as much housing but, on the other hand, you do not obligate the nation or the State or the locality for a great many years ahead. It is more on the " pay as you go" principle.

They are trying now to reconcile those two theories and so far they have not been able to do it, but we are very anxious to get them reconciled in some way and get some legislation through this session.

That is about the long and short of it without details.

Q Which method do you prefer, Mr. President?

THE PRESIDENT: I don't think we ought to obligate this Government or any other government for a six-year period ahead. But, on the other hand, there may be some kind of a slight compromise that could be made in order to work this thing out.

Q How much of the money for the merchant marine comes back, Mr. President?

THE PRESIDENT: You will have to ask Joe Kennedy. I don't know. I am not up on that.

Q Have you determined how much you can afford in this year's budget for housing?

THE PRESIDENT: I think the first thing to do is to work out the principle.

Q Has your supplemental estimate gone up to the Hill as yet?

THE PRESIDENT: I have just signed it and it is going right up.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #373
Executive Offices of the White House
June 11, 1937, 10.35 AM

THE PRESIDENT: I don't think there is any news at all this morning. I am going over to Annapolis late this afternoon or this evening and get on board the boat and I will get back late Sunday afternoon or Sunday evening.

Q Are you going to try out Jimmie's sailboat?

THE PRESIDENT: I don't believe so, but I may. You never can tell.

Q In view of Senator Lewis' address to the American Medical Association, have you any legislation in mind with respect to Federalized medicine?

THE PRESIDENT: No.

Q Did you see the address before it was made?

THE PRESIDENT: I only saw the headlines and I cannot comment on it.

Q Getting back to your Annapolis visit, can you tell us who will be in your party?

THE PRESIDENT: The Attorney General, the Secretary of Agriculture and Mrs. Wallace, Jimmie and Miss LeHand.

Q Mr. President, is there any decision likely soon on the

gun calibres of new battleships, for their main batteries?

THE PRESIDENT: I think we have to make a decision within the next two or three weeks.

Q Mr. President, can you tell us what you expect to take up with the Japanese Economic Mission?

THE PRESIDENT: I think it is just to say, "How do you do." I do not think there is any agenda.

Q Have you seen the Connally hot oil extension bill, or has it come in yet?

THE PRESIDENT: I don't think it has come in yet.

Q Mr. President, there is a local commutation matter before you with respect to the life of a person. (Thomas Jordan) Have you disposed of that matter?

THE PRESIDENT: It has not come in yet. I think it will be in today by noon.

MR. McINTYRE: It has not been received here as yet.

Q Mr. Doughton yesterday told the House that he hoped to bring in a bill affecting the corporate surplus taxes. Is that part of your legislative program?

THE PRESIDENT: I have not seen his statement and I cannot comment on it.

Q On that medical matter, did you give Senator Lewis any particular message to take to that convention?

THE PRESIDENT: I cannot comment on it because I have not read it at all.

Q Have you anything to say about violence in the labor disputes?

THE PRESIDENT: Nothing this morning.

Q Mr. President, can you tell us what you conferred about with Dr. Gruening and Governor Winship the last two days?

THE PRESIDENT: On all kinds of things relating to Puerto Rico -- everything.

Q Have you received a telegram from Arthur Garfield Hays, asking for a conference with you on his Committee's report?

THE PRESIDENT: Not that I know of. Have you seen anything, Mr. McIntyre?

MR. McINTYRE: I don't think so but I will check up on it.

Q Mr. President, do you recall the visit of Commissioner Allen yesterday?

THE PRESIDENT: Yes. (Laughter)

Q Was there any news in that?

THE PRESIDENT: The only news was that we are arranging the program for the Boy Scouts' Jamboree.

Q What did you do about it? (Laughter)

THE PRESIDENT: Well, there is going to be a parade, and there is going to be a ball game and quite a number of things. It is quite a long program -- takes about a week.

Q They were hoping you would arrange for the reception of the boys following the parade.

THE PRESIDENT: I don't think there is any reception planned. It is just a parade and I will probably drive around the camp.

Q Mr. President, may we look for an announcement on the vacancies in the Interstate Commerce Commission?

THE PRESIDENT: Pretty soon, I think.

Q Commissioners Eastman and Tate?

THE PRESIDENT: I think pretty soon.

Q How about the Communications Commission?

THE PRESIDENT: The same thing.

Q How about the Supreme Court? (Laughter)

THE PRESIDENT: Don't pin me down too much. These nominations will come along in due course -- all kinds.

Q Normal granary legislation has not appeared on any list of desired legislation. May we take that to mean --

THE PRESIDENT: I very much hope it will go through.

Q You still hope it will go through?

THE PRESIDENT: Very much, yes.

Q Does that mean we can add that to the list of desired legislation?

THE PRESIDENT: There are lots of things desired. (Laughter)

Q Do you want the Wagner Housing Bill to pass this session?

THE PRESIDENT: Yes, very much.

Q How long do you think this session is going to last?

(Laughter)

MR. YOUNG: Thank you, Mr. President.

THE PRESIDENT: Russ, you ought to say, "Thank you for nothing."

(Laughter)

CONFIDENTIAL
Press Conference #374
Executive Offices of the White House,
June 15th, 1937 - 4.05 P.M.

THE PRESIDENT: Steve, have I got any news - I don't think I have.

Q How are you going to answer the Judiciary Committee report?

THE PRESIDENT: In the first place, I haven't read it. I am taking it down with about ten or twelve other reports to read on Sunday. The second place is that the only thing I am hoping to get and hoping for is a vote; the sooner the better. The country wants it too.

Q Do you expect to get any sugar legislation? (Laughter)

THE PRESIDENT: Is that a related question?

Q There is something back of it.

THE PRESIDENT: From all I hear on sugar legislation, I don't think there will be any legislation until these lobbies get out of town. I think Congress might find it perfectly possible to pass sugar legislation then. It is the most pernicious of all lobbies since any of you people in the room have been alive. As soon as they remove themselves from the scene there will be

some hope then.

Q Do you have any hope of getting them out of town?

THE PRESIDENT: I wish they would go.

Q Can you identify those lobbies?

THE PRESIDENT: Oh, you know them better than I do.

Q There are so many angles.

Q Mr. President, what is their line of operation?

THE PRESIDENT: They are being pernicious.

Q In what way?

THE PRESIDENT: Oh, just being pernickity.

Q Any action contemplated in the steel strike - by you?

THE PRESIDENT: I think there is action going on all the time.

Q Oh, there is plenty of action.

THE PRESIDENT: Of course, we are all hopeful that it is going to straighten out.

Q You have not received word from there asking you to --

THE PRESIDENT: I asked Miss Perkins if there was any news at all when she left here about a half hour ago and she said there was none. However, she is in touch.

Q Have you any comment to make regarding the charges by the Republic Steel Corporation that the Post Office

Department has permitted steel strikers --

THE PRESIDENT: No.

Q Have you anything further on the tax avoidance investigation?

THE PRESIDENT: No; I think they are going to begin the hearings on Thursday.

Q Senator Harrison indicated today that there had already been some response by way of offers to settle.

THE PRESIDENT: I don't know; I haven't heard of any.

Q Would you care to comment on the discussion that the refusal of the Republic Steel Corporation to sign the contract is a violation of the labor law?

THE PRESIDENT: I don't know enough to be able to answer categorically, except one very simple fact quite outside of the language of the law. I think common sense dictates that if a fellow is willing to make an agreement verbally, why shouldn't he put his name to it?

Now, that is just plain common sense and not a law.

Q Mr. President, any progress on the Communications Commission or the I. C. C. appointments?

THE PRESIDENT: No; I got an Assistant Secretary of War for you yesterday.

Q You remarked just now that what you most wanted in the matter of the Court was a vote.

THE PRESIDENT: Yes.

Q Can you say whether it would be a vote on the original bill or the modified bill?

THE PRESIDENT: A vote in the Senate. In other words, not a filibuster. I don't think the country wants a filibuster. I think they want a vote.

Q The national debt is destined to go above the thirty-six billion dollar mark before the end of the fiscal year or by the end of the fiscal year. Do you believe that that will be the peak and that the leveling off process ought to go on after that?

THE PRESIDENT: It ought to. You are talking about the gross debt and not the net debt?

Q Yes, sir.

THE PRESIDENT: Be sure you use the word "gross" in front of the word "debt". They are very different things.

Q Can you give us anything about the Byrnes Amendment insisting that cities pay forty per cent of W.P.A. projects?

THE PRESIDENT: I can undertake to give you a little

background on it, if you want. It is background that relates to two phases. The first phase relates to the fact that no two communities are in the same position, either on their need for relief or the ability to provide relief. Each is a case by itself. A rule of thumb for forty per cent might work all right in perhaps the majority of cases. But, if it is made a hard and fast rule, there are going to be a great many cases where hardship will result. The other phase of it relates to the method proposed for avoiding the hardship. We can say to such community and State, "If you will take the pauper's oath and come down to Washington, the President of the United States is hereby constituted a Moody's Manual." You all know what Moody's Manual is, only the President has to do something that Moody's Manual does not do. Moody's Manual is a credit rating. The President, under this proposal, is asked not to give information but to find facts. Now, you cannot find facts about any community. Whatever is found is a matter of opinion. Necessarily, the President, under this proposal, is asked to appoint a Commission or an Inspector or an Investigator

to give him an opinion as to whether the community ought to have a higher city tax or a county tax or whether the community is really unable to provide the forty per cent.

It seems to me that that is pretty tough, not only on the President, but on the communities of the United States. I think it asks the Federal Government to make findings of fact about local governments which never were contemplated either by the Constitution or by any history of the past.

I don't want to be put in a position of having to say that Community A is sufficiently solvent to increase their taxes and that I hereby suggest to the Mayor and Common Council that they should increase the taxes, or to say that Community B is busted and I hereby give them a certificate of bankruptcy -- of pauperism. It just isn't done. So much for background.

Q Do you favor the proposal of Senators Hatch and Murray for a Commission to be appointed to investigate the whole relief problem, with the idea of drafting a permanent program for relief?

THE PRESIDENT: I would just as soon see a program like that

go through. As a matter of fact, whether or not the program does go through, there will be a report along that line anyway. For example, that was the subject of our discussion this afternoon.

We were trying to get to a point where we could see the forest and not the trees. In other words, relief is a very small component part of a much bigger question in the United States. We were analyzing today, and will continue to do so, the needs of the nation. We are doing it from a good many different angles. We are taking up, for example, the number of families in this country in different areas - city, suburban, farm, north and south and west - where the family income is such that the standard of living is so far below any decent standard that we ought to do something about it. Well, the figures are pretty appalling and my statement, made on several occasions, about one-third of the population being ill-housed, ill-nourished and ill-clad, is apparently substantiated.

When one-third of the nation hasn't got any buying power, therefore it ought to be to the interest

of every business man to try to help that one-third of the country to get buying power. It is going to increase the wealth of the country if we can get that buying power for them.

Now, as to unemployment relief, whether it be for those who cannot work - the unemployables - or for the employables, the more we attack the basic problem of getting a better standard of living for the one-third at the bottom, the quicker we will get rid of relief. It will even bite into the care of the unemployable because there will be some member of the family who will be able to take care of him.

It goes into all kinds of relief questions and that is why I say we have been looking at the whole situation. Incidentally, as far as we have gone, the picture shows that if we continue along a big, broad, national plan - and I am talking to you perfectly frankly about what we are driving at and the great majority of you in the room will be able to understand - there are very few of you who won't understand and a few who don't want to understand, but the great majority will be able to and want to --

what we are trying to do is to build up national income with special reference to increasing the share of the national income of those lowest one-third, otherwise we will always have them with us and always have relief with us. If we can increase the share of the national income of this one-third, while at the same time increasing the total of the national income, we automatically balance the Federal budget. Because this whole thing can be done, as far as we can see at the present time, with a tax standard. I don't mean the individual forms of taxation but a tax standard which will bring in substantially the same number of dollars in relation to the national income as it brings in at the present time. It means not only a balanced budget, it means taking care of and improving the lot of this lowest one-third. It also means, in all probability, a sufficient balance in the national Treasury to start paying down on the debt.

The whole thing proves up. It is not just guesswork. I think probably some time this summer or this fall I will make a fireside talk or talk to you people about some more of the details of this objective, but

it is going along awfully well.

Q With whom, sir, are you discussing this matter?

THE PRESIDENT: With this study group that I have in from time to time. The list is out in the Press Room and the names differ with the subjects that we discuss. We have talked about agriculture, relief and quite a number of other subjects.

Q The estimate for 1937 national income is somewhere about seventy billion dollars based on the sixty-three billion dollars of this year. Do you set any goal that would take care of this one-third? Is it hundred billion?

THE PRESIDENT: There you go; it is awfully difficult to put it that way. In other words, if we set a goal for a hundred billion and we fall short on it, we are going to be called crazy for taking that figure and not meeting it. In other words, in effect, what we are doing is working on the assumption that the general national program is going to continue and that, if it continues, national income as a whole will not fall off. Now, it may go up at the rate of ten per cent a year, or it may go up at the rate of

two per cent a year on the question of speed, but in any case we will be able to reach the desired result - in one case more quickly if it is ten per cent and in the other case more slowly if it is two per cent.

Q Have these studies reached a point where any additional Federal action may be needed? You talk of continuing the general national program as it is now?

THE PRESIDENT: No; no new action in the sense of taking a line that has not been taken before. The only new action would be in the sense of amending what we have already started. Well, just to take a simple illustration: Dependent children. Query: Is the present rate of ten dollars a month high enough? Now, we might want to add to that. Then, the question of the wages and hours bill. Child labor. It is on the assumption that legislation of that kind will be passed. Now, of course, that is not new legislation because it carries out a principle of policy that was started in 1933. It got kicked in the eye and now we are reviving it. There are all sorts of factors. I have to talk generally what people, in writing, -- what do you call that kind of story?

Q Dope?

THE PRESIDENT: No, I mean the factual stories. It is awfully hard for them to get it in. The matter of expenditures for relief, for example, is intimately tied up with the operation of the Unemployment Insurance Act. It is actually tied up with it. It is intimately tied up with the problem of Old Age Security. For instance, some of the figures today show that four per cent - oh, this is rough - four per cent of the population a few years ago, in 1929, were over sixty-five; today over five per cent are over sixty-five. In a very few years, eight per cent will be over sixty-five and if the present maturity tables continue to show up as favorably as they are doing, in the same proportion, before most of us are dead, there will be fifteen per cent of the population over sixty-five years old. Now, all of that is very, very helpful on the problem of taking care of the older people who cannot get work through an insurance plan, an insurance plan that pays for itself.

Q Does the same thing apply to re-employment? Are you speaking of that as applying to unemployment insurance

and social security, tying that in with relief also?

THE PRESIDENT: Yes. For instance, the figures today show that we have very, very definite knowledge of certain things. The Employment Bureau has six million people, without duplication, on its rolls. They are people who are looking for jobs. That is a perfectly definite figure. Now, the total number of people on relief in the United States, that is to say Federal, State and local, has gone down in the past year from five million one or two hundred thousand to three million seven hundred thousand. That includes all the unemployables. We have all of those figures. We know all of those facts.

Q Mr. President, a few days ago you spoke about having Congress close the loopholes in the income tax law. We wonder if you have anything to say about Congress making a new loophole for themselves to slide through on the District tax.

THE PRESIDENT: I got dizzy reading about the District taxes about a month ago and I quit.

Q Were they too high? (Laughter) What made you dizzy?

THE PRESIDENT: All the proposals. They had the wildest

proposals I have ever seen, but there were some very good ones.

Q What were the good ones?

THE PRESIDENT: The income and inheritance. Why should we escape them in the District?

Q Is the sales tax all right?

THE PRESIDENT: You know I have never liked the sales tax - nationally. About it locally, I don't know.

Q Does the increase in real estate taxes in the District suit you?

THE PRESIDENT: I don't know; all I do know is that the rents are darned high, and so do we all.

Q On that income tax, do you want that to apply to Senators and Congressmen?

THE PRESIDENT: Do they pay in their own States?

Q No; they pay the Federal tax.

THE PRESIDENT: They do not pay in their own States?

Q In New York a bill was just passed which would require them --

THE PRESIDENT: Yes; I am all for applying the same rule to Government employees that we do to everybody else.

Q You would favor the income tax and the inheritance tax?

THE PRESIDENT: I don't know a darned thing about the District tax bill. Please.

Q May I get one point clear? There seems to be a drag on our economic system by reason of the fact that one-third of the population is down.

THE PRESIDENT: Yes.

Q And if the plan formulated by you and your study group is effective, there will be an increase in that group of people so that they will no longer be a drag and everybody is happy.

THE PRESIDENT: Yes, and in the Budget.

Q Wouldn't that require a general overhauling of the Federal tax picture?

THE PRESIDENT: No.

Q You mentioned a tax standard as being required by which that was to be accomplished.

THE PRESIDENT: What I meant by the tax standard was that on a given amount of national income -- well, say we have sixty-three billion dollars this year of national income and on present taxes we bring into the Federal Treasury six billion dollars. I am not talking about the details. If we have ninety billion dollars we

bring in nine billion dollars.

Q May we say, "Thank you." (Laughter)

CONFIDENTIAL
Press Conference #375
Executive Offices of the White House,
June 18th, 1937 - 10.40 A.M.

(Earl Godwin showed the President an old print of the White House, giving a view of the South Portico and the lay-out of the South Grounds.)

THE PRESIDENT: You know, last year they dug up the old cow stable of the White House under the front porch. It had the Masonic emblem over it.

Q Under the front porch?

THE PRESIDENT: Yes, under the front porch. And the rear used to be used as the front of the White House. That came out in Murray's History of the United States in 1839.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think there is any news today. I am going tonight to the Little Cabinet dinner as their guest down at Sumner Welles' place and then from there I'm going down to Fort Washington, get on board the Potomac, and get back here Sunday afternoon.

Q Will you land here, sir, or at Annapolis?

THE PRESIDENT: I think so, but I don't know.

Q Any speeches there tonight?

THE PRESIDENT: No, no.

Q Not like your last visit to Mr. Welles' place? (Referring to the President's visit the previous summer to the home of the Assistant Secretary of State, where he met a large group of Maryland Democrats and arranged for a speech at Baltimore)

THE PRESIDENT: No, no. (Laughter)

Q Did Vice President Garner indicate to you when he would come back?

THE PRESIDENT: He told me he hoped to be back in a few weeks.

Q Mr. President, have you received any commendatory telegrams on the personnel of the Mediation Board?

[Federal Steel Mediation Board] AcB 7-21-55

THE PRESIDENT: I don't know; I have not seen any mail at all.

MR. EARLY: Pa Watson congratulated you this morning.

THE PRESIDENT: Oh, yes; he congratulated me this morning. Charlie Taft was in Pa Watson's Battery, so it is all right.

Q Have you any comment on the financial mission's arrival here today to seek gold credit?

THE PRESIDENT: I don't know enough about it. They are going to see the Treasury people.

Q Can you give us some of the details on this Jefferson Island party?

THE PRESIDENT: I don't know; I am the guest. (Laughter)

Q Will you talk to all those people in private conference?

THE PRESIDENT: Can you imagine that?

Q Neither can I.

THE PRESIDENT: Neither can they, so that we are all unanimous.

Q What are you going to do down there?

THE PRESIDENT: Sit around and have a good time, Phil Pearl to the contrary notwithstanding. I read his crazy story (laughter). That is all right, Phil.

Q I thought you were a member of the Jefferson Island Club.

THE PRESIDENT: Yes, I was one of the original members. I am a guest member. (Laughter)

Q A paying guest? (Laughter)

THE PRESIDENT: I guess I will probably get my share of the bill; that is all right; I usually do.

Q Mr. President, do you care to comment on the alleged Japanese refusal to approve fourteen-inch guns?

THE PRESIDENT: Fred (Essary), I haven't seen anything from the Department at all. We are hoping to get all the replies in, and then they will bring them over to me.

Q Did you notice the size of the bids on the new battleships?

THE PRESIDENT: I did.

Q What do you think of them?

THE PRESIDENT: On the face of it, we can build them cheaper in Navy Yards.

Q Are you going to?

THE PRESIDENT: I don't know; I haven't taken it up yet.

Q Mr. President, you talked over background last Tuesday on the forty per cent WPA amendment. Senator Robinson has now introduced a twenty-five per cent amendment.

THE PRESIDENT: I haven't seen it, so I cannot comment on it; I haven't read the language.

Q Mr. President, do you still desire the passage of the ever-normal-granary legislation this session?

THE PRESIDENT: Same answer; I hope so.

Q Have you any comment on the reported decision of the

Congressional leaders to let that go over until the next session?

THE PRESIDENT: No.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #376
Executive Offices of the White House,
June 22nd, 1937 - 4 o'clock P.M.

(Earl Godwin accidentally dropped a beer bottle opener on The President's desk.)

Q And he is connected with the Boy Scout Jamboree. (Laughter)

THE PRESIDENT: No wonder he got a little pink over it.

(The President mentioned the fact that he had left his glasses over at the House.)

Q Do you have to have them to read?

THE PRESIDENT: I can read perfectly well, but I am supposed to use them. Half the time I don't.

Q How is your cold?

THE PRESIDENT: A great deal better. It was only on one side of my nose, the rest of my nose was all right.

Q You did not get any pains?

THE PRESIDENT: No, just an athletic nose.

Q Do you think it is due to air-cooling?

THE PRESIDENT: I think it is this darned air-cooling. They certainly haven't solved air-cooling, not for a minute.

MR. DONALDSON: All in.

THE PRESIDENT: I don't think I have anything. The

Assistant Secretary of the Navy, I think, announced the award of the two battleships to the two Navy Yards. [because] That was the cause of the very large differential in price. The Government will save a good deal of money.

A.C.B. 7/21/55

Q Mr. President, has the gun calibre question been solved yet?

THE PRESIDENT: No, but you have had a good deal of dope on it, haven't you - the State Department and Tokio? Off the record, draw your own conclusions.

Q Part of the explanation down at the Navy for the reason that the building of a battleship in private yards would cost more than in Navy Yards was that the private yards had certain expenses imposed by the Government that the Navy Yards did not have, such as Social Security, and the question arose in some of our minds on what happens to the Navy Yard worker when he gets laid off if he does not have the benefits of Social Security.

THE PRESIDENT: I think on that question, the Government ought to give the same kind of Social Security there as it does in Civil Service.

Q Is he a per diem man?

THE PRESIDENT: Yes, or per week. I don't know how he is

paid but of course, as a matter of fact, the total of all those additional expenses, such as the giving of bonds by the private concerns -- (interrupted)

Q Income tax?

THE PRESIDENT: (continuing) and so forth and so on -- Well, income tax, they have to earn the money first -- all of it does not come up to the ten million dollar difference in the bids.

Q To carry out your thought of Social Security in Navy Yards as in private yards, would that require legislation, or is it one of those things --

THE PRESIDENT: I don't know; I suppose it does but, frankly, I don't know.

Q Will you take steps toward that end, Mr. President?

THE PRESIDENT: Oh, I think so. Don't ask me when, because I don't know.

Q Mr. President, lately you re-appointed a number of district attorneys whose terms had expired. Can you say when you are going to end the patronage war in Southern California?

THE PRESIDENT: I don't know. Is there a row on in Southern California?

Q The term expired over two months.

THE PRESIDENT: I didn't even know it; I will have to plead guilty.

Q Anything about the re-appointment?

THE PRESIDENT: No, I didn't know a thing about it.

Q We have two police judges; they are about four months old.

THE PRESIDENT: They are about four months old, are they?

Q Yes, sir.

THE PRESIDENT: Well, they have almost become mature.

Q They are still getting paid.

THE PRESIDENT: Nothing new.

Q Anything new on the strike situation?

THE PRESIDENT: No. I believe there was a statement by the Mediation Board just within the hour or something like that. I have not seen the text.

Q There is some sort of a report that Mr. Girdler has been asked to come to Washington.

THE PRESIDENT: Not that I know of.

Q There have been frequent reports that you have been in constant touch with Girdler. Can you tell us whether they are true or not?

THE PRESIDENT: While a certain element in the Press - a very small element - represents that I am taking a

vacation; if you really knew the inside story, I am on the telephone or working. I talk to a great many different people. My "complete holiday" on Sunday, for instance, when, of course, I was away from my desk, - well, I think I worked on Sunday from ten o'clock in the morning until half-past midnight. Yesterday I wasn't at my desk but I worked from nine-thirty in the morning until one o'clock this morning. Now, of course, I cannot tell you the people that I call up. I talked to a lot of people. That is nothing new. I talk to lots of people all the time, day in and day out.

Q Mr. President, any comments you care to make on the Belgian Premier's visit to Washington?

THE PRESIDENT: Except that I am going to be very glad to see him.

Q Tell us what you are going to talk about.

THE PRESIDENT: A fellow Zeelander. (Laughter) I think I told you what I am going to talk about before: Pole to Pole and right around the middle.

Q Have you disposed of the sugar lobbyists yet?

THE PRESIDENT: I have a report that three of them were seen moving out of town; good.

Q Will you accept an early adjournment of Congress?

THE PRESIDENT: I accept an early adjournment of Congress?

(Laughter) Read the Constitution.

Q That is the theory.

THE PRESIDENT: The only time that the President enters into the adjournment of Congress is when the two Houses disagree on adjournment and the President, under the Constitution, may then, in such event, prorogue the Congress. I think in the national history the President has never done it.

Q That is the theory. (Laughter)

THE PRESIDENT: It seems to be the practice too.

Q They get some suggestions.

Q There are some stories that you wanted a ninety-day recess of Congress.

THE PRESIDENT: I have read more stories in the papers than you can shake a stick at. They get a new one about once every three days. I am going to clip them some day and tell the story on the radio. It would be amusing. -- You don't think it would be amusing? I think it would be as funny as a crutch.

Q Mr. President, will the National Emergency Council be continued after the end of this year? Would it be

continued under its present-day set-up or under its present name?

THE PRESIDENT: Probably not. Things depend a little bit on the reorganization bill because if we have the reorganization bill go through at this session a good many of the functions of the National Emergency Council relating to the coordination of work between different Departments can be handled otherwise under a bill of that kind and make it possible to abolish the Council.

Q In connection with your reorganization bill, Mr. President, you know of course that there have been some moves toward splitting it on the Hill. Would you oppose passing only part of it at this session?

THE PRESIDENT: The only thing I have is that the House people think it better to get it through the House by splitting and in the Senate they don't think so. That is a matter entirely for them to decide - it is procedural.

MR. YOUNG: Thank you, Mr. President.

CONFIDENTIAL
Press Conference #377
Executive Offices of the White House

June 29, 1937, 4.10 P.M.

THE PRESIDENT: I hear you had a perfectly grand time last night. (Referring to the festivities of the J. Russell Young School of Expression.) From all accounts it was a fine party.

MR. YOUNG: Yes, it was all right.

THE PRESIDENT: The reports I got say that the President and Founder of the School was in exceedingly rare form last night.

Q He surprised even himself.

MR. YOUNG: That is a great compliment, Mr. President.

Q He enjoyed his own remarks very much.

THE PRESIDENT: That was like Martin Dies down at the Island the other day. He was as clever as he could be -- that was the Demagogue Club initiation -- and he enjoyed it as much as anybody.

MR. DONALDSON: All in?

Q Are you going to have a communique with Van Zeeland?

THE PRESIDENT: Yes, you are going to have it when you go out.

Q Both of you?

THE PRESIDENT: When you go out there will be ready for you all a mimeographed copy of a joint statement by the

Premier of Belgium and myself and also a little personal statement from me.

He took the 3 o'clock plane to New York. It was very delightful to have him here and he is a grand fellow. I think the statement will be all ready when you go out.

Because I have been reading newspaper reports about receipts and expenditures of government -- as you all know my opinion, which was arrived at over a period of years, is that no newspaper man knows the difference between dollars and cents, only publishers know that -- I got Danny (Bell) to give me some figures on the debt. You cannot call this a pre-view of the first of July figures because obviously we have several days to go and these figures are as of June 26. They have four days to go but they are estimating those four days.

I am not prepared on this particularly, I just jotted down a lot of figures. Taking the April revised budget estimates on the receipts end, the indications are that we will have 50 to 60 million dollars more than the April estimates. On the expenditures end we will spend about 75 million dollars more but that is not an honest statement unless you add this to it: That of that $75,000,000, $40,000,000 represents an expenditure on account of investment for the Old Age Reserve account of $14,000,000 which we had expected to put into the

account in July, in other words, the next fiscal year but the Treasury Department decided to put it in in June instead of July. It is one of those things that would have been spent anyway; it is not a thing controlled by Congress but is an Old Age Reserve account or an insurance reserve. Outside of that, the actual expenditures are only about 35 million dollars more than the estimates of April. So actually, on receipts and expenditures, and leaving out this transfer of the Old Age Reserve account from July up to June, we are between 15 and 25 million dollars on net balance ahead of the April estimates, U.P. and A.P. dispatches to the contrary notwithstanding.

You got all that, did you not?

Q Yes sir.

THE PRESIDENT: That is good. Now, there is one other thing -- two other things, that should be noted.

The debt will actually increase another hundred million dollars more than we expected because three of the financing agencies will not have collected as much as they expected in this fiscal year, that is, the RFC and the Commodity Credit -- I guess there are only two of them. But they are good debts and they will come in. They just haven't come in in this fiscal year.

Q Did you mention another one, Mr. President?

THE PRESIDENT: No, just RFC and Commodity Credit, that is all.

Now, on the total debt, here is an interesting fact. These are round figures, we are guessing four days.

The total debt, gross, will stand at about $36,400,000,000 -- these are our figures -- but it is interesting to note that that includes sterilized gold which, of course, is an asset of about $1,050,000,000. The other point is that since December 22, 1936, outside of four items, the National debt has stood still. In other words, it has increased on paper two billion dollars but, except for those four items which I will give you, it stood still. The ordinary governmental expenditures have not increased. The four items are:

$1,050,000,000 for the sterilization fund - gold.

Then there are three reserve funds:

$500,000,000 for the Veterans' Insurance Fund, which was, of course, connected with the payment of the bonus.

$265,000,000 on the Old Age Pension Reserve.

About $200,000,000 in the Unemployment Trust Fund.

Q Is that Unemployment Insurance?

THE PRESIDENT: Yes, that is Unemployment Insurance Trust Fund.

Now, those four items you will find total about two billion

dollars which represents, actually, a tiny bit more than the two million dollars increase in the gross National debt.

RCB 7-22-55

[stabilizaTion]

Q May I ask you whether the stabilization fund money eventually might not be used to retire part of the debt? There are about two billion dollars worth.

THE PRESIDENT: Oh, well; that is like saying, "How old is Anne?" How does anybody know?

Q I wanted to see how far down we can get this debt.

THE PRESIDENT: Well, it is an asset of the Government; it is a definite asset of the Government, there is no question about that.

Q May I ask whether the expenditure figure includes $103,000,000 for debt retirement?

THE PRESIDENT: I could not tell you that because I have not got it. I don't know.

MR. EARLY: It is on the table, sir.

THE PRESIDENT: (Examining table) This is interest on the public debt and he is talking about debt retirement. That is a different thing. Wait a minute, until I find it. . . . . .

It is not here, so I cannot answer you but that is the old story as to whether you are going to have a layman's budget or an accountant's budget. Obviously, if you included it, the debt would be that much less.

Q Does that show what the estimated receipts and expenditures were in the April budget?

THE PRESIDENT: Yes, there are all kinds of items, income taxes, miscellaneous revenues --

Q Are they lumped?

THE PRESIDENT: Plus 25 million dollars on this figure. You see, I have only got them up to the 26th of June. What I have been giving you is the estimate for the first of July, in other words all the receipts up to the 26th of June plus 25 million dollars, but actually it will be between 50 and 60 million dollars. In the same way, the expenditures show 136 million dollars up and it will be about 150 million dollars up.

Q Last night the Paris Bourse announced it is closing over today to the distraction of some people. I wonder if you could comment on that?

THE PRESIDENT: You will have to ask the Treasury Department.

Q Getting back to these figures, did they give you any estimate of the recoverable assets?

THE PRESIDENT: Total recoverable assets? No, they are not in here but I know what they are approximately.

Q What are they?

THE PRESIDENT: About $4,000,000,000.

Q Does the accumulation of the Old Age Pension Fund and the Unemployment Insurance Fund operate to increase

the National debt? If they do, what would the National debt be if those funds were not in operation?

THE PRESIDENT: Yes, I think they do but you are getting me a little bit over my head. I think they do.

Q Isn't the Unemployment Insurance Fund made up of State money which is deposited with the Treasury?

THE PRESIDENT: Some of it is and some is not. I think we contribute to it, too, in some cases.

Q No, I think not, sir.

THE PRESIDENT: I don't know; you will have to find out.

Q How much of the National debt is represented by war debts of foreign governments?

THE PRESIDENT: Gosh, I don't have the total figures. What was it the last time, about 10½ or 11 billion dollars?

Q I believe it was about eleven billion dollars.

THE PRESIDENT: Yes, about eleven billion dollars.

Q Do you have that listed among the recoverable assets?

THE PRESIDENT: No. (Laughter)

Q While we are on this financial thing, is there any reflection here on France going off gold and devaluing the Franc and dropping from the Tripartite Agreement?

THE PRESIDENT: Oh, no; no relationship at all.

Q No reflection; no action?

THE PRESIDENT: Not a bit, no.

Q Just to get that clear, it is not assumed here that they

have left the agreement, is it?

THE PRESIDENT: You will have to ask the Treasury.

Q How much longer can they go on sterilizing gold if it costs a billion dollars?

THE PRESIDENT: You will have to ask the Treasury.

Q They won't tell us, Mr. President.

THE PRESIDENT: That is why I said, "Ask the Treasury."

(Laughter)

MR. YOUNG: Thank you, Mr. President.

THE PRESIDENT: I think everything is quiet. I am going up tomorrow and, after the wedding, I will continue to Hyde Park and stay there until Monday evening and get back Tuesday morning.

Q Have you any comment to make on Governor Earle's suggestion that you run for a third term?

THE PRESIDENT: No (laughting), you know what I have said in the past.

Q There was a morning-paper story to the effect that the President might issue a statement shortly in some form or other, perhaps a fireside talk, defining the Administration's labor policy.

THE PRESIDENT: I have not a single speech scheduled, not even a daylight speech.

Q Isn't it time to assert that policy?

THE PRESIDENT: I have not a thing scheduled yet.

Q Will you see the Brazilian Minister of Finance?

THE PRESIDENT: Very soon after I get back, Tuesday or Wednesday of next week. I will see Dr. Kung today and he is coming in to see me again on Tuesday, a week from today, for lunch.

Q Getting back to what Governor Earle said the other day, can you tell us or would you say whether you would accept the nomination?

THE PRESIDENT: Oh, my God! This is hot weather. (Laughter) Bob (Post) go into the corner over there (indicating) and put on the dunce cap and stand with your back to the crowd. (Laughter)

Q Mr. President, was the subject fully covered in an address you made in January or February?

THE PRESIDENT: My God, you will have to join Bob in the corner.

Q Mr. President, have you made any accounting of the Jefferson Island results?

THE PRESIDENT: Yes, I think there were 32 cases of beer used.

Q Of what?

THE PRESIDENT: Beer and 1,044 sandwiches and several cans of salad and a very good time.

Q Did you catch any fish?

THE PRESIDENT: I did not.

Q Before choosing my own corner (laughter) may I ask if there is anything to be said about your conference with Mr. Taft today -- Mr. Taft of the Mediation Board?

THE PRESIDENT: We talked about this Committee for Human Needs. They are going to have their campaign this year.

As to the other, well, I think I can put it this way: Charlie Taft and I agree that the Nation, as a whole, in regard to the recent strike episodes, the majority of people are saying just one thing, "A plague on both your houses".

Q Could you interpret that a little bit, Mr. President?

THE PRESIDENT: There is the old dunce cap. Isn't that perfectly clear to you? It ought to be.

Q Is that your opinion?

THE PRESIDENT: It is what we agreed.

Q The majority of Americans?

THE PRESIDENT: That is what Charlie Taft and I agreed was the general feeling in the country.

Q What are you going to do about the plague, Mr. President?

THE PRESIDENT: I think that covers it all right.

Q Can that be quoted directly?

THE PRESIDENT: You can use that direct if you want. "A plague on both your houses", that is what we agreed to.

Q Would you like Mr. Post's head-size? (Laughter)

MR. YOUNG: Thank you, Mr. President.